

City of Upland, California Annual Comprehensive Financial Report



**Fiscal Year Ended
June 30, 2021**

CITY OF UPLAND, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2021

Prepared by
Finance Division

City of Upland
Annual Comprehensive Financial Report
Year Ended June 30, 2021

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INTRODUCTORY SECTION



January 31, 2022

Honorable Mayor and
Members of the City Council
City of Upland, California

The *Annual Comprehensive Financial Report* of the City of Upland, California for the fiscal year ended June 30, 2021 is hereby submitted.

The Annual Comprehensive Financial Report (ACFR) is prepared in accordance with generally accepted accounting principles as promulgated by the Government Accounting Standards Board (GASB). GASB has primary responsibility for determining current accounting and financial reporting standards for activities and transactions of state and local government entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, the data enclosed is accurate in all material aspects; it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included. For a more detailed discussion and analysis of the City's financial performance, refer to Management's Discussion and Analysis on page 4.

The Scope of the Annual Comprehensive Financial Report

In accordance with Generally Accepted Accounting Principles (GAAP), the ACFR combines the financial statements of the City of Upland together with the Successor Agency to the former Upland Community Redevelopment Agency (UCRA) and the Upland Public Financing Authority (Authority). Although the Successor Agency to UCRA and the Authority are legally separate from the City, the City has certain responsibilities with respect to the fiscal accountability of those entities.

The City of Upland

The City of Upland is situated on the western border of San Bernardino County, bordered by the cities of Claremont, Montclair, Ontario and Rancho Cucamonga. Upland, known as the "City of Gracious Living," is nestled at the base of the San Gabriel Mountains and encompasses 15.2 square miles. It has an estimated population of 78,513 persons as of June 2020.

It was the year of 1882 when brothers, George and W.B. Chaffey, arrived in California from Canada seeking a new place for a colony. The wide stretch of green against the foothills was lush and fertile, and they had found that for which they were looking. After acquiring the land, they used wise and long-range planning which facilitated giving Upland its unique characteristics. Upland's wide, main, thorough way named Euclid Avenue (which the Chaffey's named after the "Father" of geometry) is still an attraction

City of Upland

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and the envy of many. Upland was incorporated on May 15, 1906 and utilizes a Council-Manager form of government. The City provides a wide range of traditional municipal and public enterprise services.

Services Provided by the City of Upland	
<u>Municipal Services</u>	<u>Public Enterprise Services</u>
General Administrative Support	Water Utility
Public Safety	Solid Waste Utility
Highways and Streets	Sewer Utility
Public Improvements	
Planning and Zoning	
Development Services and Housing	
Library and Cultural	
Recreation and Parks	

The City Council consists of a directly elected Mayor and City Treasurer, and four Council members elected by residents in their respective districts. Council terms are four years. Elections are held every two years at which time either the Mayor, City Treasurer and one Council member, or three Council members are elected. The City Council appoints a City Manager to administer the affairs of the City, as well as a City Attorney. A listing of names of officials of the City of Upland and a City organization chart are included in the Introductory Section of this CAFR.

Officials responsible for City financial administration are the City Treasurer, City Manager, and the Assistant City Manager. The City Treasurer is elected by the community at large to a four-year term. The City Treasurer is the custodian of all City funds. The Assistant City Manager is appointed by the City Manager and is responsible for establishing and maintaining the general accounting system for the City, auditing and approving for payment of all demands or charges upon the City.

Local Economy

The United States' economy grew by 5.7% in 2021, the fastest full-year clip since 1984. The City of Upland has seen even stronger growth in its sales tax revenues, which have exceeded pre-pandemic projections for Fiscal Year 20/21.

The federal government's approval of the American Rescue Plan Act (ARPA) has led to \$15.2 million promised to Upland, and an unprecedented opportunity to invest in the community. City Council has approved an ARPA Investment Plan that provides additional investments in public safety and infrastructure, in conjunctions with resident priorities.

The additional federal funds, on the heels of Coronavirus Aid, Relief and Economic Security (CARES) Act have combined with disrupted supply chains all over the globe to help lead to the country's highest inflation rates in almost four decades. The 7.0% inflation rate in December 2021 is the highest since June of 1982. The Federal Reserve is anticipated to raise rates three times in 2022, which will slow down inflation, but also run the risk of the economy entering into a recession.

City General Fund revenues exceeded budgeted revenues and, expenditures were lower than amended budgeted figures in Fiscal Year 2020/21. Additional funds from American Rescue Plan Act and strong sales tax revenues are expected to garner similar results in Fiscal Year 2021/22. In June 2021, City Council established a general fund reserve policy, which establishes an economic uncertainty reserve of 2.5% and an emergency disaster contingency reserve. When those are fully funded, any year-end operating surplus will go to the pension stabilization reserve (45%), infrastructure improvement reserve (30%), building replacement reserve (15%) and general plan update reserve (5%), with the remaining 5% set aside as

unassigned. This intentional setting aside of funds ensures that money is available to address needs both in the present and the future. In June 2021, City Council also adopted a pension funding policy, which was revised in December 2021. City Council will continue to make intentional efforts to address its pension liability, including setting aside funds to contribute to the City's Section 115 Pension Trust as called for in the pension funding policy, and making additional discretionary payments to CalPERS beyond those required by actuarial valuations.

Financial Controls

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management.

Budgetary Controls

The City's budget policy provides for an orderly process that allows for the adoption of the annual budget by June 30 of each year. The City maintains a budget control system to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The legal level of budgetary control, that is, the level at which expenditures cannot exceed appropriations, is the fund level within the General Fund, Special Revenue and Capital Projects Funds. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are each considered to be a single department. The City maintains an encumbrance accounting system as one technique to further maintain budgetary control. Revenues are also estimated annual in the adoption of the annual budgeted. Revenues and expenditures are monitored throughout the year, with a mid-year budget provided to the City Council at a minimum.

OTHER RELEVANT INFORMATION

Auditor's Opinion

Included in the Financial Section is the independent auditors' opinion, which is a significant part of the ACFR. In this report, Van Lant & Fankhanel, LLP, Certified Public Accountants, express their opinion that the financial statements are presented fairly in conformity with generally accepted accounting principles. The opinion is unqualified and therefore signifies a substantial level of achievement.

Certificate of Achievement


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Upland for its CAFR for the fiscal year ended June 30, 2020. To receive the award, a governmental unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards, and satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement program requirements and we are submitting it to GFOA.

Acknowledgements


Our sincere appreciation and thanks for the support of the City Council and City department staff for their continuing cooperation. Special thanks are also extended to the Finance Division staff whose dedication and perseverance resulted in producing this report.

In keeping with past practice, a copy of this ACFR will be placed on file in the City's library and sent to the City Council, City management personnel, bond rating agencies and other agencies (such as financial institutions and governments), which have expressed an interest in the financial affairs of the City of Upland. This ACFR will also be available online at www.ci.upland.ca.us.

Respectfully submitted,



Michael Blay
City Manager



Stephen Parker, CPA
Assistant City Manager

Officials of the City of Upland

Elected Officials

Bill Velto, Mayor

Rudy Zuniga

Janice Elliott

Carlos Garcia

Shannon Maust

Mayor Pro Tem District 4

Councilmember District 2

Councilmember District 3

Councilmember District 1

Greg Bradley

City Treasurer

Executive Staff

Stephen Parker, Acting City Manager

Stephen Parker

Steven Deitsch

Robert D. Dalquest

Darren Goodman

Braden Yu

Assistant City Manager

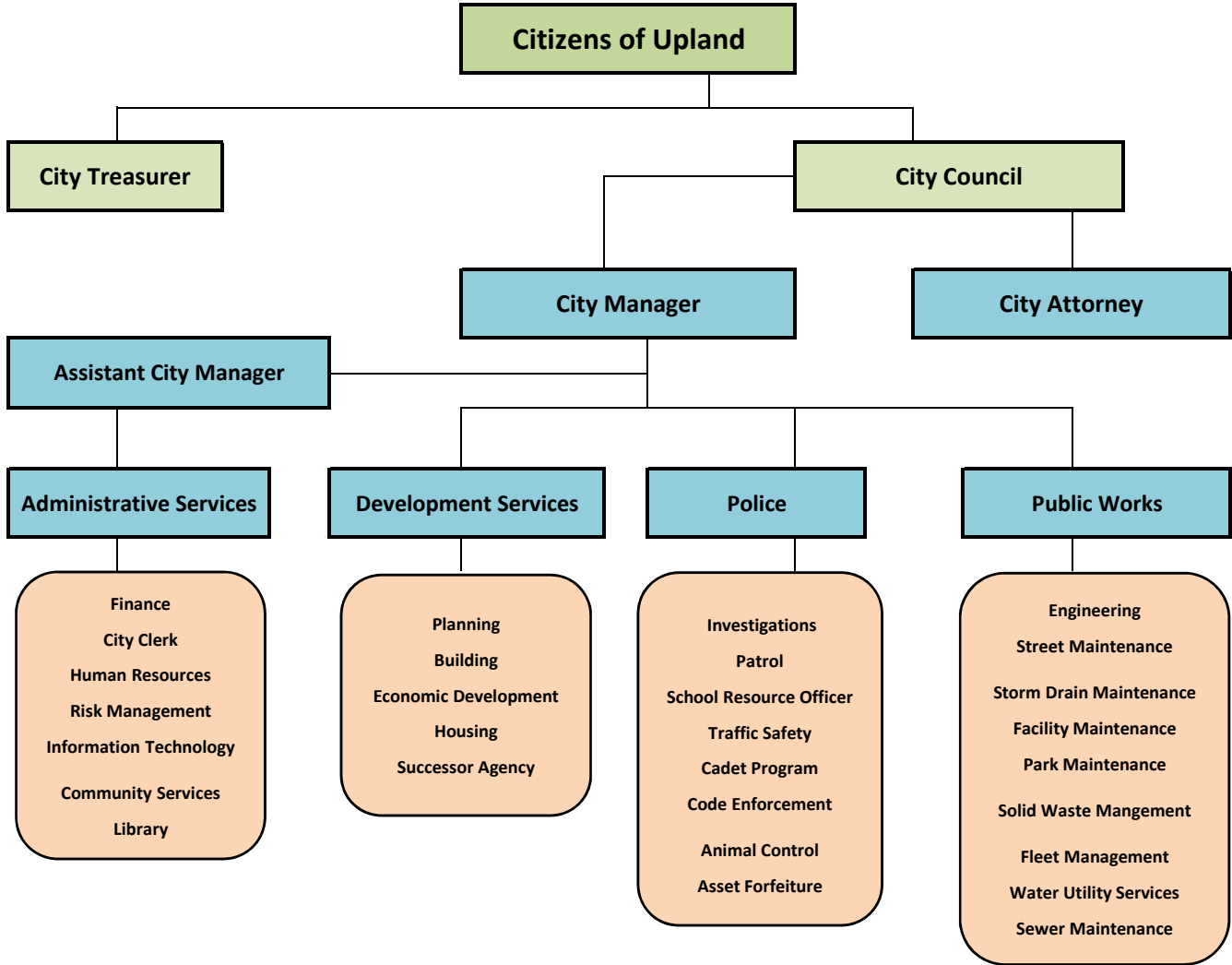
City Attorney

Development Services Director

Chief of Police

Public Works Director

**City of Upland
Organizational Chart
Fiscal Year 2020-21**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Upland
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Independent Auditor's Report

The Honorable City Council
City of Upland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Upland, California, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Upland's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the West End Consolidated Water Company and San Antonio Water Company, which represent 100 percent, 100 percent, and 100 percent, respectively, of the assets, net position and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the West End Consolidated Water Company and San Antonio Water Company, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in

Van Lant & Fankhanel, LLP

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the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Upland, California, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As reported in the financial statements, in fiscal year 2020-21, the City adopted new accounting guidance, *GASBS No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or to provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the supplementary information as listed in the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and schedules listed in the supplementary information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, on our consideration of the City of Upland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Van Lant + Fankhaed, LLP

January 31, 2022

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

The discussion and analysis of the City of Upland's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

- ◆ The City's Total Net Position at the close of the fiscal year is \$404 million; this is an increase of \$15.8 million in comparison with the prior year.
- ◆ The City's total assets and deferred outflows increased by \$30.9 million during the fiscal year. The largest change was an increase in cash and investments of \$23.7 million. Other significant changes include an increase in receivables of \$1.1 million, an increase in capital assets of \$2.0 million an increase of \$1.9 million in the value of the City's investment in joint ventures and an increase of \$2.2 million in deferred outflows.
- ◆ The City's liabilities and deferred inflows increased by \$15.0 million. Significant changes from prior year balances include a decrease in deferred inflows of \$1.5 million, an increase of \$2.4 million in accounts payable, an increase of \$7.6 million in unearned revenue, an increase in long-term liabilities of \$6.6 million (details are presented in Footnote 5 of the financial statements).
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$85.3 million, an increase of \$7.6 million in comparison with the prior year.
- ◆ As of the close of the current fiscal year, the City's enterprise funds reported combined total net position of \$153.2 million, an increase of \$10.1 million in comparison with the prior year.
- ◆ At the end of the fiscal year, unassigned fund balance for the General Fund was \$.25 million. This represents a decrease of \$16.2 million from the prior year. Restricted fund balance increased to \$10.7 million and committed fund balance increased to \$15.1 million from \$7.8 million in the prior year. These significant reclassifications are the result of council approving a new fund balance policy and a pension liability funding program on June 14, 2021. Council has committed/set aside money for economic uncertainties, weather emergencies, building maintenance and repairs, infrastructure improvements, and implemented a plan for reducing the unfunded pension liability. Additional information can be found in footnote 1 section P and footnote 14.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements.

Reporting the City's Most Significant Funds

An analysis of the City's major funds begins on page 9. The fund financial statements begin on page 16 and provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law, grant requirements or by bond covenants. The City Council has established many other funds to help it control and manage other monies for specific purposes. The City's two kinds of funds - governmental and proprietary - use different accounting approaches.

- ◆ Governmental funds - Most of the City's basic services are reported in governmental funds which focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These funds are

reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be used (in the future) to finance the City's programs. The difference of results in the governmental fund's statements to those in the government-wide financial statements are explained in a reconciliation schedule following the governmental funds financial statements.

- ◆ Proprietary funds - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities an example of such is the City's Self-Insurance fund. The internal service funds are reported with governmental activities in the government-wide financial statements.
- ◆ Fiduciary Funds – The City is responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 104 and 109 respectively. The City excludes these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring the assets reported in these funds are used for their intended purposes.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities include all the assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are recorded regardless of when cash is received or paid. These two statements report the City's net position and changes in net position. One can think of the City's net position as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. There are other nonfinancial factors that should be considered to assess the overall health of the City, such as, the condition of the City's roads,

City of Upland's Total Net Position

As noted earlier, the City's combined Total Net Position is \$404 million. The City's net position increased by \$15.8 million due to an increase in assets (including deferred outflows of resources) of \$30.9 million and liabilities and deferred inflows of resources increased by \$15 million. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses, changes in and total net position are presented in the Statement of Activities. The City's combined Net Position for the fiscal year ended June 30, 2021 was:

Table 1
Net Position (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 108.5	\$ 90.4	\$ 91.8	\$ 83.4	\$ 200.3	\$ 173.8
Capital assets	286.6	288.0	90.3	88.3	376.9	376.3
Total assets	<u>395.1</u>	<u>378.4</u>	<u>182.1</u>	<u>171.7</u>	<u>577.2</u>	<u>550.1</u>
Deferred outflows of resources	20.8	18.8	2.2	2.0	23.0	20.8
Long-term liabilities	144.3	138.5	25.8	24.2	170.1	162.7
Other liabilities	18.1	9.5	6.6	6.0	24.7	15.5
Total liabilities	<u>162.4</u>	<u>148.0</u>	<u>32.4</u>	<u>30.2</u>	<u>194.8</u>	<u>178.2</u>
Deferred inflows of resources	2.7	4.0	0.2	0.5	2.9	4.5
Net position:						
Net investment in capital assets	267.0	267.0	83.0	80.7	350.0	347.7
Restricted	43.4	52.2	-	-	43.4	52.2
Unrestricted	(59.6)	(74.0)	68.7	62.3	9.1	(11.7)
Total net position	<u>\$ 250.8</u>	<u>\$ 245.2</u>	<u>\$ 151.7</u>	<u>\$ 143.0</u>	<u>\$ 402.5</u>	<u>\$ 388.2</u>

The City's programs for governmental activities include General Government, Public Safety, Public Works and Engineering, Development Services, and Community Services. The programs for business-type activities include Water, Solid Waste, and Sewer operations. A comparison of each program's revenues and expenses is presented below:

Table 2
Change in Net Position
(In Millions)

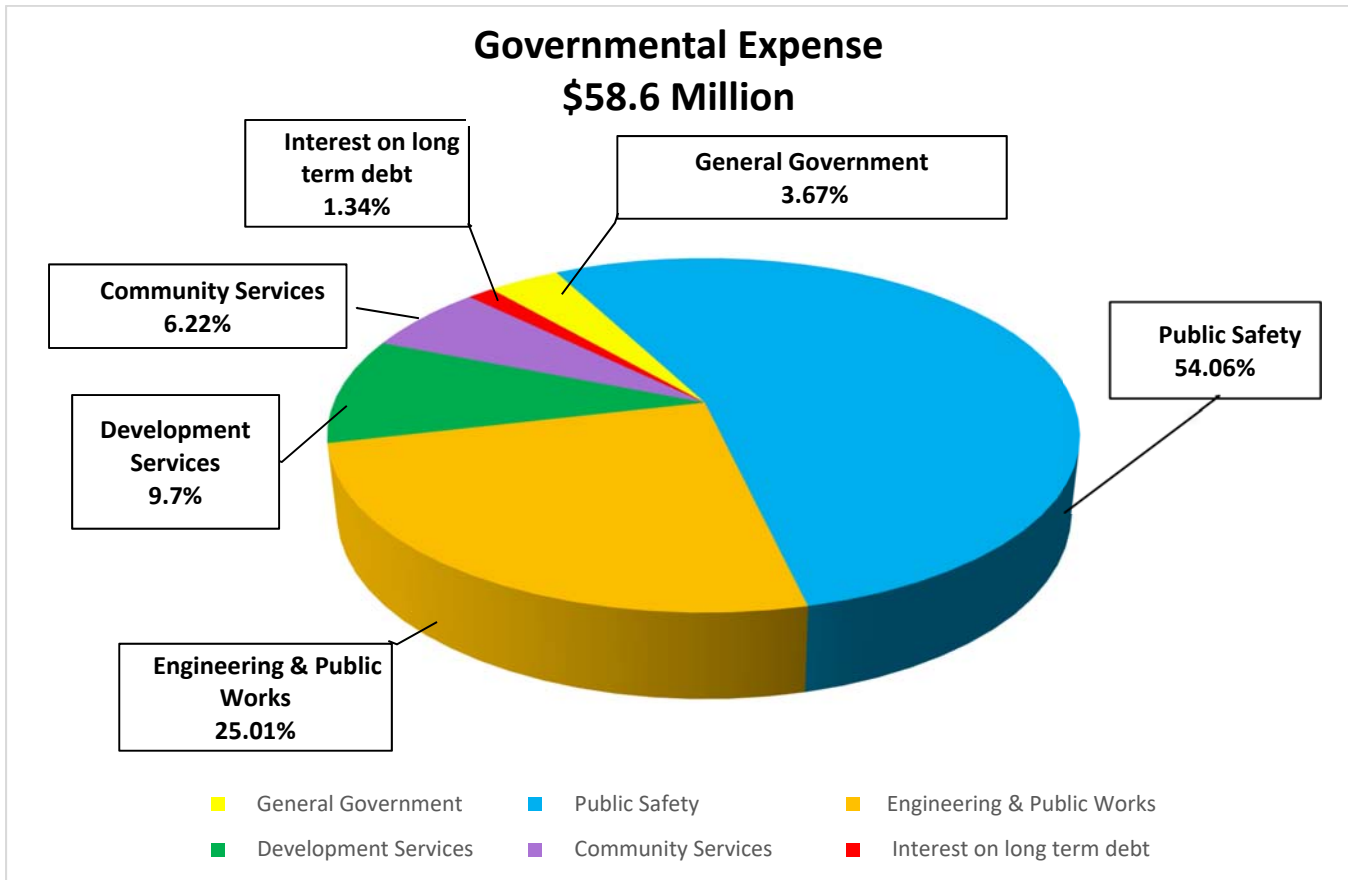
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for services	13.1	13.7	54.8	52.1	67.9	65.8
Operating Contributions/Grants	4.4	2.5	-	-	4.4	2.5
Capital Contributions	7.2	8.2	2.9	9.9	10.1	18.1
General Revenues						
Taxes						
Property Taxes	18.8	18.1	-	-	18.8	18.1
Sales Tax	16.9	13.6	-	-	16.9	13.6
Franchise Taxes	1.3	1.3	-	-	1.3	1.3
Transient Occupancy Taxes	0.2	0.1	-	-	0.2	0.1
Business License Taxes	1.1	1.1	-	-	1.1	1.1
Other Taxes	0.3	0.3	-	-	0.3	0.3
Investment Income	0.9	1.2	0.1	1.2	1.0	2.4
Motor Vehicle In Lieu	0.1	0.1	-	-	0.1	0.1
Miscellaneous Revenues	-	0.2	-	-	-	0.2
Total Revenues	<u>64.3</u>	<u>60.4</u>	<u>57.8</u>	<u>63.2</u>	<u>122.1</u>	<u>123.6</u>
Expenses						
General government	2.1	3.7	-	-	2.1	3.7
Public Safety	31.7	23.8	-	-	31.7	23.8
Public Works	14.7	3.5	-	-	14.7	3.5
Development Services	5.7	6.0	-	-	5.7	6.0
Community Services	3.6	3.9	-	-	3.6	3.9
Interest on long term debt	0.8	0.8	-	-	0.8	0.8
Water	-	-	22.5	20.5	22.5	20.5
Refuse	-	-	14.5	13.8	14.5	13.8
Sewer	-	-	10.6	10.0	10.6	10.0
Total Expenses	<u>58.6</u>	<u>41.7</u>	<u>47.6</u>	<u>44.3</u>	<u>106.2</u>	<u>86.0</u>
Change in Net Position	5.7	18.7	10.2	18.9	15.9	37.6
Net Position at beginning of year	<u>245.2</u>	<u>226.5</u>	<u>143.0</u>	<u>124.1</u>	<u>388.2</u>	<u>350.6</u>
Net Position end of year	<u>\$ 250.8</u>	<u>\$ 245.2</u>	<u>\$ 153.2</u>	<u>\$ 143.0</u>	<u>\$ 404.0</u>	<u>\$ 388.2</u>

Governmental Activities

Governmental activities net position increased in total by \$5.7 million. The City’s governmental activities revenue totaled \$64.3 million which is a \$3.9 million increase over the prior year. Significant changes are highlighted below:

- ◆ Charges for services revenue totaled \$13.1 million which is a decrease of \$0.6 million or 5%, primarily related to a slight decrease in new development.
- ◆ Operating and capital grants increased by \$0.9 million or 8.4% primarily due to the City receiving a CARES Act grant from the County of San Bernardino.
- ◆ Residential property sales of new construction, property tax resets and sales of older homes resulted in an increase of \$0.7 million in property tax revenue.
- ◆ Sales tax increased by \$3.3 million or 24.3%. This year’s sales tax revenues recouped the prior year’s \$0.9 million loss and bounced back with an increase of \$2.4 million.
- ◆ Even though investible cash balances increased significantly, interest rates had dropped so drastically (from 49.5% of the portfolio yielding over 1% down to 12.5% yielding over 1%) that it resulted in a decrease in investment income of \$0.3 million for the year.

Governmental activities expenses totaled \$58.6 million this year, which is a \$16.9 million or 40.5% increase from the prior year. General Government costs decreased \$1.6 million; Public Safety costs increased \$7.9 million; Public Works costs increased \$11.2 million; Development Services costs decreased \$0.3 million while Community Services costs also decreased \$0.3 million.



Business-type Activities

Total resources available during the year to finance Proprietary Fund (Business-type) activities were \$143 million. Net Position as of June 30, 2021 is \$153.2 million which is an increase of \$10.1 million or 7.1%.

As shown in the Statement of Activities, the amount paid by users for services was \$54.8 million compared to \$52.1 million reported in the prior year. The cost of all Proprietary (Business-type) activities increased \$3.4 million this year to \$47.6 million compared to \$44.2 million reported last year. Significant changes are highlighted below by specific proprietary fund.

The City's Major Funds

The City's governmental funds reported a combined fund balance of \$85.3 million, and its enterprise funds reported combined net position of \$153.2 million. Major changes are discussed below:

- ◆ The fund balance at year-end for the City's General Fund of \$30.8 million is an increase from the prior year of \$6.5 million. Revenues and other financing sources increased by \$3.6 million from the prior year while expenditures and other financing uses decreased by \$1.9 million. The variance existed wholly in other financing uses. The General Fund transferred \$1.9 million less to help supplement other funds than it had in the previous year. Property taxes increased \$0.8 million from new home sales and an increase in home resales ignited by increased property values and very low mortgage rates. Sales tax revenue increased \$3.3 million which exceeded experts estimates by \$2.2 million. Investment income increased by \$0.06 million. Even though interest rates have dropped dramatically; the City's portfolio still includes investments earning up to 3.3%; the General Fund's cash balances have increased \$2.4 million; and the application of GASB 31 was reported by all cash bearing funds instead of just being recorded in the General as in last year. Charges for services decreased by \$0.5 million mostly related to a decrease in construction/improvement permit issuances and because of a reduction of COVID affected services. General Fund expenditures increased minimally (less than \$100,000).
- ◆ The Housing Fund's fund balance increased \$436,348 or 4.4% over prior year balances. Total revenues remained flat and total expenditures decreased by \$282,860, or 6.6% and revenues still exceeded expenditures by \$436,348.
- ◆ Water Enterprise Fund operating revenues increased by \$1.6 million or 5.9%. The increase resulted from the addition of the prior years' approximate 1,000 homes completed and added to the water system throughout the year and the addition of this year's newly constructed residential and multi-family units completed. The various components of non-operating revenue in total, decreased by \$0.1 million; however, investment income alone decreased by approximately \$0.6 million. Even though cash balances at the end of the year were \$4.5 million higher than the previous year lower investment yields contributed but mostly the reduction was related to a change in the application of GASB 31. In the prior year, the General Fund absorbed the entire reduction of investment income from the application of GASB 31, while in the current year, the reduction was allocated amongst all the cash bearing funds. Interest was the sole non-operating expense and increased minimally this year. Total revenues exceeding total expenses by \$6.9 million and additional capital contributions of \$0.6 million resulted in an overall increase in Water Fund net position of \$7.5 million.
- ◆ The Solid Waste Utility Fund net position decreased approximately \$0.1 million or 16.3%. Charges for services increased \$0.9 million due to a service rate increase effective February 1, 2020 and, the increase in service accounts resulting from newly constructed homes. Operating expenses increased \$0.7 million, net of decrease of \$0.2 in administrative costs and increase of \$0.9 million for contractual services which will fluctuate based on the number of bins serviced and disposal cost based on actual waste tonnage. Net position accumulation will be necessary to comply with various state mandated programs required to be implemented in the near future and will be addressed in Fiscal year 2022/23 with a proposed increase in waste disposal rates.
- ◆ The Sewer Utility Fund net position increased by \$2 million or 6.6%. Operating revenues increased by \$0.2 from additional service accounts created for the newly constructed homes; otherwise, service rates have not changed for several years. Non-operating revenue, mainly investment income, decreased \$0.5 million from the change in the

application of GASB 31 discussed above. Operating expenses increased \$0.7 million or 7.5%. The fund also received capital contributions totaling \$1.6 million and a \$0.3 million transfer from the Solid Waste fund.

General Fund Budgetary Highlights

Over the course of the year, the operating budget received several revisions. The budget amendments and supplemental appropriations approved after the beginning of the year are included in the final budget column (net of interagency transactions) on page 61 of the financial statements. Comparing the Fiscal Year 2020/21 adopted General Fund budget of \$41.4 million to the final budget of \$38.4 million reflects a decrease of \$3.0 million. Actual expenditures for the General Fund of \$38.1 million were \$0.3 million less than final budgeted amounts. The Fiscal Year 2020/21 adopted revenue budget started at \$39.3 million and was increased by \$1.7 million to \$41.0 million which reflects an expected increase in sales tax. By the end of the year, actual General Fund revenues exceeded budgeted revenues in all but one category (other revenue) to the tune of \$5.2 million. Even after increasing the budget for sales tax at mid-year, final sales tax revenue exceeded the adjusted budget by an overwhelming \$2.2 million. Other notable increases were seen in the investment income (\$0.7), the charges for services (\$0.7), property tax revenue (\$0.6) and the licenses and permits (\$0.6) revenue accounts. The General Fund’s positive results for the year significantly increased fund balance allowing staff to fund reserves in compliance with the fund balance and pension funding policies approved by council in June of 2021. Fund Balance detail can be found in more detail in footnote 14.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2021, the City had \$378.4 million invested in a broad range of capital assets, including police vehicles, buildings, park facilities, roads, and water and sewer lines. Capital assets (net of accumulated depreciation) increased by the minimal amount of \$0.5 million. Construction of infrastructure and capital assets has decreased significantly with the onset of Corona Virus.

Table 3
Capital Assets at Year-End
(Net of Depreciation, in Millions)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 5.1	\$ 5.1	\$ 3.0	\$ 3.8	\$ 8.1	\$ 8.9
Rights of way	103.4	103.4	-	-	103.4	103.4
Street trees	3.5	3.5		-	3.5	3.5
Construction in progress	1.3	5.1	4.2	1.3	5.5	6.4
Other capital assets	173.3	170.9	84.5	83.3	257.8	254.2
Totals	<u>\$ 286.6</u>	<u>\$ 288.0</u>	<u>\$ 91.7</u>	<u>\$ 88.4</u>	<u>\$ 378.4</u>	<u>\$ 376.4</u>

The City’s Fiscal Year 2020/21 capital budget appropriated another \$12.3 million for capital projects, principally for the completion of its various construction and improvement projects. Additional information on the City’s capital assets can be found in Note 4 to the financial statements.

Long-Term Liabilities

As of June 30, 2021, the City had \$174.9 million in outstanding debt versus \$168.1 million in the prior year. This represents an increase of \$6.6 million. Bond, loan, and lease debt decreased by \$0.8 which is the net of annual debt service payments

made in accordance with their applicable amortization schedules and a draw against a new loan agreement with the State Water Resources Control Board (SWRCB). Compensated absences increased by \$0.2 million. This means more leave was earned than was taken and/or the liability increased from higher hourly rates of pay applied to employee accrued leave

balances. The OPEB and net unfunded pension liabilities increased by \$8 million. This increase was the result of updated actuarial valuations performed by an independent Actuary and CalPERS. Claims payable decreased by \$0.8 million. New

claims for the year decreased slightly from the prior year; however, claims expense decreased by \$0.5 million. Compared to the prior years' increase of \$0.2 million, this is a swing of \$1 million in a positive direction. Management has been working hard to resolve, settle and close all claims.

Table 4
Long-Term Debt at Year-End
(In Millions)

	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Compensated Absences	\$ 2.2	\$ 2.0	\$ 0.4	\$ 0.4	\$ 2.6	\$ 2.4
Net OPEB Liability/obligation	11.2	9.7	2.4	2.3	13.6	12.0
Net Pension Liability	106.4	100.7	14.0	13.5	120.4	114.2
Claims Payable	9.8	10.5	-	-	9.8	10.5
Multifamily Housing Rev Bonds	12.8	13.4	-	-	12.8	13.4
Energy Efficiency Lease	2.3	2.5	-	-	2.3	2.5
CREBS Lease Agreement	4.4	4.5	-	-	4.4	4.5
Revenue Refunding Bonds	-	-	7.2	7.2	7.2	7.2
SAWCO Loan Payable	-	-	1.0	1.4	1.0	1.4
SWRCB Loan Payable	-	-	0.7	-	0.7	-
Totals	<u>\$ 149.1</u>	<u>\$ 143.3</u>	<u>\$ 25.7</u>	<u>\$ 24.8</u>	<u>\$ 174.8</u>	<u>\$ 168.1</u>

Additional detailed information on long-term debt activity can be found in Note 5. Claims payable information can be found in Note 9. Calculations and information related to the OPEB liability can be found in Note 6 and additional Net Pension Liability information can be found in Note 10 to the financial statements.

Economic Condition and Outlook

The City of Upland's economic growth continued during Fiscal Year 2020/21. Real estate assessed values increased from the prior fiscal year by \$546 million or a net taxable value increase of 5.6%. According to HdL, Coren and Cone (HdL), the City's net taxable value increased another 4.2% for the 2021/22 tax roll, which is slightly less than the increase experienced countywide of 5.8%. The inflation adjustment for 2022/23 will be the full 2.0% allowed by Proposition 13 rather than the 1.036% from the prior year. The median sale price of a detached single family residential home in Upland from January through November of 2021 was \$705,000, a 13.7% increase over 2020's median price of \$620,000. Sales of single-family and non-single-family properties through November of 2021 will add \$236.0 million to the 2022/23 tax rolls.

A high volume of development activity is expected to continue into Fiscal Year 2022/23 resulting in increases in anticipated building permit revenue and eventually property tax and sales tax revenue.

Sales taxes in Fiscal Year 2020/21 ended a whopping 24.3% higher than the prior year as the economy rebounded from the worst of the effects of the COVID-19 pandemic. With the local economy exceeding expectations, the latest projections by HdL project FY 2021/22 sales tax revenues to exceed Fiscal Year 2020/21's revenues by 2.3%, or \$0.4 million.

Fiscal Year 2020/21 General Fund operations resulted in a surplus (revenue exceeding expenditures) for the 6th year in a row. City leadership has been working hard with the City Council to address long-term financial strategies to ensure sustainability despite the specific challenges of increased annual pension contributions, the OPEB liability, the pressure of

providing new services (state mandates), addressing homelessness, the COVID-19 pandemic, and recruitment and retention of highly skilled workers.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors, with a general overview of the City's finances. If you have any questions regarding this report or need additional financial information, please contact the Administrative Services Department at 460 North Euclid Avenue, Upland, CA 91785.

BASIC FINANCIAL STATEMENTS

City of Upland
Statement of Net Position
June 30, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	West End Consolidated Water Company December 31, 2020	San Antonio Water Company December 31, 2020
ASSETS					
Cash and Investments	\$ 75,735,828	\$ 47,761,097	\$ 123,496,925	\$ 814,725	\$ 7,860,496
Receivables:					
Accounts, Net	1,193,065	9,172,962	10,366,027	462,318	684,388
Accrued Interest	146,667	-	146,667	-	-
Notes, Net	9,727,023	-	9,727,023	-	1,032,000
Accrued Interest on Notes	2,788,506	-	2,788,506	-	-
Due From Other Governments	5,952,984	283	5,953,267	-	-
Inventory and Prepaid Items	425,634	5,120,283	5,545,917	12,751	100,588
Land Held for Resale	1,731,389	-	1,731,389	-	-
Restricted Assets:					
Cash and Investments with Fiscal Agent	-	-	-	-	-
Cash and Investments	10,844,410	491,418	11,335,828	-	-
Investment in Joint Ventures	-	29,276,580	29,276,580	-	-
Capital Assets, Not Being Depreciated:	113,286,674	7,204,689	120,491,363	495,870	2,053,400
Capital Assets, Net of Accumulated Depreciation:	<u>173,326,342</u>	<u>84,536,646</u>	<u>257,862,988</u>	<u>976,654</u>	<u>18,797,592</u>
Total Assets	<u>395,158,522</u>	<u>183,563,958</u>	<u>578,722,480</u>	<u>2,762,318</u>	<u>30,528,464</u>
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related Items	2,586,662	562,428	3,149,090	-	-
Pension Related Items	<u>18,178,586</u>	<u>1,663,721</u>	<u>19,842,307</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>20,765,248</u>	<u>2,226,149</u>	<u>22,991,397</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Accounts Payable	2,726,376	5,657,708	8,384,084	238,061	678,173
Accrued Salaries and Benefits	1,208,410	256,110	1,464,520	-	-
Accrued Interest Payable	-	81,714	81,714	-	-
Deposits Payable	1,486,876	491,402	1,978,278	-	850
Retention Payable	220,164	120,926	341,090	-	-
Unearned Revenue	7,615,622	45,820	7,661,442	-	-
Noncurrent Liabilities:					
Due Within One Year	4,860,257	953,828	5,814,085	-	343,059
Due in More Than One Year	<u>144,273,488</u>	<u>24,803,188</u>	<u>169,076,676</u>	<u>-</u>	<u>720,335</u>
Total Liabilities	<u>162,391,193</u>	<u>32,410,696</u>	<u>194,801,889</u>	<u>238,061</u>	<u>1,742,417</u>
DEFERRED INFLOWS OF RESOURCES					
OPEB Related Items	951,027	206,786	1,157,813	-	-
Pension Related Items	<u>1,733,267</u>	<u>-</u>	<u>1,733,267</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>2,684,294</u>	<u>206,786</u>	<u>2,891,080</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	267,040,558	11,916,179	278,956,737	1,472,524	20,850,992
Restricted for:					
Public Safety	1,905,985	-	1,905,985	-	-
Engineering and Public Works	9,333,328	-	9,333,328	-	-
Development Services	22,197,237	-	22,197,237	-	-
Community Services	9,971,232	-	9,971,232	-	-
Unrestricted	<u>(59,600,057)</u>	<u>141,256,446</u>	<u>81,656,389</u>	<u>1,051,733</u>	<u>7,935,055</u>
Total Net Position	<u>\$ 250,848,283</u>	<u>\$ 153,172,625</u>	<u>\$ 404,020,908</u>	<u>\$ 2,524,257</u>	<u>\$ 28,786,047</u>

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 2,148,712	\$ 795,356	\$ 2,182,663	\$ 181,107
Public Safety	31,674,977	1,223,941	1,177,170	185,324
Engineering and Public Works	14,653,574	4,002,120	617	5,192,997
Development Services	5,682,894	6,066,211	998,603	-
Community Services	3,642,911	934,585	74,749	1,660,086
Interest on Long-Term Debt	783,846	-	-	-
Total Governmental Activities	58,586,914	13,022,213	4,433,802	7,219,514
Business-type Activities:				
Water Utility	22,480,852	29,333,341	-	1,331,610
Solid Waste Utility	14,487,585	14,643,704	23,630	-
Sewer Utility	10,663,464	10,818,913	-	1,572,005
Total Business-type Activities	47,631,901	54,795,958	23,630	2,903,615
Total Primary Government	\$ 106,218,815	\$ 67,818,171	\$ 4,457,432	\$ 10,123,129
Component Units:				
West End Consolidated Water Company	\$ 617,564	\$ 735,675	\$ -	\$ -
San Antonio Water Company	4,097,375	5,673,061	-	-
Total Component Units	\$ 4,714,939	\$ 6,408,736	\$ -	\$ -

General Revenues:

Taxes:

Property Taxes

Sales Taxes

Franchise Taxes

Transient Occupancy Taxes

Business License Tax

Other Taxes

Motor Vehicle in-lieu

Miscellaneous Revenues

Investment Income

Transfers In/(Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

			Component Units	
			West End Consolidated Water Company December 31, 2020	San Antonio Water Company December 31, 2020
Primary Government				
Governmental Activities	Business-type Activities	Total		
\$ 1,010,414	\$ -	\$ 1,010,414	\$ -	\$ -
(29,088,542)	-	(29,088,542)	-	-
(5,457,840)	-	(5,457,840)	-	-
1,381,920	-	1,381,920	-	-
(973,491)	-	(973,491)	-	-
(783,846)	-	(783,846)	-	-
<u>(33,911,385)</u>	<u>-</u>	<u>(33,911,385)</u>	<u>-</u>	<u>-</u>
-	8,184,099	8,184,099	-	-
-	179,749	179,749	-	-
-	1,727,454	1,727,454	-	-
-	10,091,302	10,091,302	-	-
<u>(33,911,385)</u>	<u>10,091,302</u>	<u>(23,820,083)</u>	<u>-</u>	<u>-</u>
			\$ 118,111	\$ -
			-	1,575,686
			<u>118,111</u>	<u>1,575,686</u>
18,818,701	-	18,818,701	-	-
16,876,712	-	16,876,712	-	-
1,284,525	-	1,284,525	-	-
195,619	-	195,619	-	-
1,119,427	-	1,119,427	-	-
264,965	-	264,965	-	-
57,805	-	57,805	-	-
30,374	-	30,374	-	-
927,392	51,079	978,471	-	141,693
-	-	-	-	-
<u>39,606,738</u>	<u>51,079</u>	<u>39,657,817</u>	<u>-</u>	<u>141,693</u>
5,695,353	10,142,381	15,837,734	118,111	1,717,379
<u>245,152,929</u>	<u>143,030,244</u>	<u>388,183,173</u>	<u>2,406,146</u>	<u>27,068,668</u>
<u>\$ 250,848,282</u>	<u>\$ 153,172,625</u>	<u>\$ 404,020,907</u>	<u>\$ 2,524,257</u>	<u>\$ 28,786,047</u>

**City of Upland
Balance Sheet
Governmental Funds
June 30, 2021**

	General	Special Revenue		Non-major Governmental	Total
		Housing	ARPA		
ASSETS					
Cash and Investments	\$ 18,358,303	\$ 3,627,896	\$ 7,611,599	\$ 39,983,782	\$ 69,581,580
Cash with Fiscal Agent	-	-	-	-	-
Restricted Cash	10,638,680	205,730	-	-	10,844,410
Receivables:					
Accounts	1,101,077	26,331	-	29,828	1,157,236
Accrued Interest	146,667	-	-	-	146,667
Notes, net	17,200	5,043,525	-	4,666,298	9,727,023
Accrued Interest on Notes	-	1,517,475	-	1,271,031	2,788,506
Due from Other Governments	3,940,083	-	-	2,012,901	5,952,984
Due from Other Funds	670,700	-	-	-	670,700
Inventory and Prepaid Items	161,450	-	-	-	161,450
Land Held for Resale	-	1,731,389	-	-	1,731,389
Total Assets	\$ 35,034,160	\$ 12,152,346	\$ 7,611,599	\$ 47,963,840	\$ 102,761,945
LIABILITIES					
Accounts Payable	\$ 1,477,230	\$ 87,019	\$ -	\$ 896,817	\$ 2,461,066
Accrued Salaries and Benefits	1,052,487	27,772	-	61,698	1,141,957
Due to Other Funds	-	-	-	670,700	670,700
Deposits Payable	1,250,886	204,970	-	31,020	1,486,876
Retentions Payable	-	-	-	220,164	220,164
Unearned Revenue	-	-	7,606,858	8,764	7,615,622
Total Liabilities	3,780,603	319,761	7,606,858	1,889,163	13,596,385
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	462,804	1,517,475	-	1,868,719	3,848,998
Total Deferred Inflows of Resources	462,804	1,517,475	-	1,868,719	3,848,998
FUND BALANCE (DEFICITS)					
Nonspendable	178,650	-	-	-	178,650
Restricted	10,733,983	10,315,110	4,741	44,890,224	65,944,058
Committed	15,137,875	-	-	-	15,137,875
Assigned	4,491,000	-	-	-	4,491,000
Unassigned	249,245	-	-	(684,266)	(435,021)
Total Fund Balances (Deficits)	30,790,753	10,315,110	4,741	44,205,958	85,316,562
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 35,034,160	\$ 12,152,346	\$ 7,611,599	\$ 47,963,840	\$ 102,761,945

The accompanying notes are an integral part of this statement.

City of Upland
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

Fund balances of governmental funds \$ 85,316,562

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	399,357,828	
Accumulated Depreciation	<u>(113,938,624)</u>	285,419,204

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

3,848,998

Long term liabilities are not due and payable in the current period and are not reported in the funds.

Compensated Absences		(2,098,006)
Multifamily Housing Revenue Note		(12,815,172)
CREBS Lease Payable		(4,441,631)
Energy Efficiency Lease Payable		(2,315,655)
Net Pension Liability		(103,105,366)
Net OPEB Liability		(10,568,292)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds.

Deferred Outflows Related to Pensions		17,787,505
Deferred Inflows Related to Pensions		(1,733,267)
Deferred Outflows Related to OPEB		2,438,025
Deferred Inflows Related to OPEB		(896,378)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.

(5,988,244)

Net position of governmental activities

\$ 250,848,283

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General	Special Revenue		Non-major Governmental	Total
		Housing	ARPA		
REVENUES					
Taxes	\$ 38,559,949	\$ -	\$ -	\$ 1,115,539	\$ 39,675,488
Licenses & Permits	2,481,187	-	-	3,474,003	5,955,190
Charges for Services	2,384,400	-	-	-	2,384,400
Fines and Penalties	542,604	-	-	-	542,604
Investment Income	798,468	(344)	4,741	26,441	829,306
Rental Income	802,678	4,383,012	-	73,865	5,259,555
Intergovernmental	107,264	-	-	8,134,052	8,241,316
Other Revenue	616,024	76,874	-	(65,138)	627,760
Total Revenues	46,292,574	4,459,542	4,741	12,758,762	63,515,619
EXPENDITURES					
Current:					
General Government	1,899,974	-	-	355,772	2,255,746
Public Safety	24,708,858	-	-	2,672,888	27,381,746
Engineering and Public Works	6,402,725	-	-	8,341,931	14,744,656
Development Services	1,773,917	2,890,417	-	1,019,272	5,683,606
Community Services	2,917,641	-	-	275,514	3,193,155
Debt Service:					
Principal	182,482	557,096	-	-	739,578
Interest	259,030	524,816	-	-	783,846
Total Expenditures	38,144,627	3,972,329	-	12,665,377	54,782,333
Excess (Deficiency) of Revenues over Expenditures	8,147,947	487,213	4,741	93,385	8,733,286
OTHER FINANCING SOURCES (USES)					
Transfer In	-	-	-	593,000	593,000
Transfer Out	(1,664,509)	(50,865)	-	-	(1,715,374)
Sale of Capital Assets	31,218	-	-	-	31,218
Total Other Financing Sources (Uses)	(1,633,291)	(50,865)	-	593,000	(1,091,156)
Net Change in Fund Balances	6,514,656	436,348	4,741	686,385	7,642,130
Fund Balances, Beginning	24,276,097	9,878,762	-	43,519,573	77,674,432
Fund Balances, Ending	\$ 30,790,753	\$ 10,315,110	\$ 4,741	\$ 44,205,958	\$ 85,316,562

The accompanying notes are an integral part of this statement.

City of Upland
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2021

Net change in fund balances-total governmental funds \$ 7,642,130

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Capital Expenditures	5,488,622
Depreciation Expense	(7,189,562)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	735,431
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, government funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The effect of these differences are as follows:

Principal Paid on Capital Leases	182,480
Principal Paid on Housing Revenue Note	557,098

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures:

Net Change in Compensated Absences	(167,031)
Net Change in Net Pension Liability	(5,544,185)
Net Change in Net OPEB Liability	(1,523,502)
Net Change in Deferred Outflows Pension Related Amounts	642,215
Net Change in Deferred Inflows Pension Related Amounts	979,244
Net Change in Deferred Outflows OPEB Related Amounts	1,297,640
Net Change in Deferred Inflows OPEB Related Amounts	232,862

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

2,361,912

Change in net position of governmental activities	<u><u>\$ 5,695,354</u></u>
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The accompanying notes are an integral part of this statement.

City of Upland
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental
	Water Utility	Solid Waste Utility	Sewer Utility	Totals	Internal Service Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 28,649,499	\$ 1,912,357	\$ 17,199,241	\$ 47,761,097	\$ 6,154,248
Accounts Receivable, Net	5,574,875	1,549,095	2,048,992	9,172,962	35,829
Due from Other Governments	-	115	168	283	-
Inventory and Prepaid Items	5,120,283	-	-	5,120,283	264,184
Total Current Assets	39,344,657	3,461,567	19,248,401	62,054,625	6,454,261
Noncurrent Assets:					
Restricted Cash and Investments	452,746	-	38,672	491,418	-
Equity Interest	29,276,580	-	-	29,276,580	-
Capital Assets, Not Being Depreciated:					
Land	2,954,861	-	-	2,954,861	-
Construction in Progress	3,991,862	55,482	202,484	4,249,828	52,388
Capital Assets, Net of Accumulated Depreciation	65,590,804	-	18,945,842	84,536,646	1,141,424
Total Noncurrent Assets	102,266,853	55,482	19,186,998	121,509,333	1,193,812
Total Assets	141,611,510	3,517,049	38,435,399	183,563,958	7,648,073
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related Items	386,078	36,215	140,135	562,428	148,637
Pension Related Items	991,440	169,818	502,463	1,663,721	391,081
Total Deferred Outflows of Resources	1,377,518	206,033	642,598	2,226,149	539,718
LIABILITIES					
Current Liabilities:					
Accounts Payable	2,868,401	1,557,194	1,232,113	5,657,708	265,310
Accrued Salaries and Benefits	172,139	22,895	61,076	256,110	66,453
Accrued Interest Payable	81,714	-	-	81,714	-
Unearned Revenue	-	45,820	-	45,820	-
Retentions Payable	116,586	-	4,340	120,926	-
Deposits Payable	452,730	-	38,672	491,402	-
Current Portion of Long-Term Liabilities:					
Claims and Judgments Payable	-	-	-	-	2,949,359
Compensated Absences	141,036	14,883	58,909	214,828	59,876
Loans Payable	344,000	-	-	344,000	-
Revenue Bonds Payable	395,000	-	-	395,000	-
Total Current Liabilities	4,571,606	1,640,792	1,395,110	7,607,508	3,340,998
Noncurrent Liabilities:					
Claims and Judgments Payable	-	-	-	-	6,798,090
Net OPEB Liability	1,671,981	156,962	607,373	2,436,316	644,225
Net Pension Liability	8,342,944	1,429,018	4,228,212	14,000,174	3,290,945
Compensated Absences	103,228	12,911	58,785	174,924	47,128
Loans Payable	1,354,627	-	-	1,354,627	-
Revenue Bonds Payable	6,837,147	-	-	6,837,147	-
Total Noncurrent Liabilities	18,309,927	1,598,891	4,894,370	24,803,188	10,780,388
Total Liabilities	22,881,533	3,239,683	6,289,480	32,410,696	14,121,386
DEFERRED INFLOWS OF RESOURCES					
OPEB Related Items	141,948	13,315	51,523	206,786	54,649
Pension Related Items	-	-	-	-	-
Total Deferred Outflows of Resources	141,948	13,315	51,523	206,786	54,649
NET POSITION					
Net Investment in Capital Assets	(7,232,147)	-	19,148,326	11,916,179	1,193,812
Unrestricted	127,197,694	470,084	13,588,668	141,256,446	(7,182,056)
Total Net Position	\$ 119,965,547	\$ 470,084	\$ 32,736,994	\$ 153,172,625	\$ (5,988,244)

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Solid Waste Utility	Sewer Utility	Totals	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 28,463,489	\$ 14,643,704	\$ 10,403,089	\$ 53,510,282	\$ 8,104,210
Licenses and Permits	690,512	-	414,697	1,105,209	-
Other	179,340	-	1,127	180,467	149,051
Total Operating Revenue	29,333,341	14,643,704	10,818,913	54,795,958	8,253,261
OPERATING EXPENSES					
Administrative Costs	4,272,513	1,490,775	478,345	6,241,633	-
Maintenance and Operations	17,355,663	-	2,862,991	20,218,654	4,012,044
Contractual Services	238,650	12,996,810	6,539,634	19,775,094	283,919
Customer Service	170,209	-	-	170,209	-
Claims Expense	-	-	-	-	2,572,231
Depreciation	2,160,657	-	780,989	2,941,646	250,226
Total Operating Expenses	24,197,692	14,487,585	10,661,959	49,347,236	7,118,420
Operating Income (Loss)	5,135,649	156,119	156,954	5,448,722	1,134,841
NONOPERATING REVENUES (EXPENSES)					
Investment Income	21,210	(6,015)	35,884	51,079	38,047
Share of Joint Venture Net Income (loss)	1,908,828	-	-	1,908,828	-
Gain/ (Loss) on Disposal of Capital Assets	137,321	-	(1,505)	135,816	66,650
Interest Expense	(329,309)	-	-	(329,309)	-
Intergovernmental	-	23,630	-	23,630	-
Total Nonoperating Revenues (Expenses)	1,738,050	17,615	34,379	1,790,044	104,697
Income Before Contributions and Transfers	6,873,699	173,734	191,333	7,238,766	1,239,538
Capital Contributions	1,331,610	-	1,572,005	2,903,615	-
Transfers In	-	-	265,000	265,000	1,315,374
Transfers Out	-	(265,000)	-	(265,000)	(193,000)
Change in Net Position	8,205,309	(91,266)	2,028,338	10,142,381	2,361,912
Total Net Position, Beginning	111,760,238	561,350	30,708,656	143,030,244	(8,350,156)
Total Net Position, Ending	<u>\$ 119,965,547</u>	<u>\$ 470,084</u>	<u>\$ 32,736,994</u>	<u>\$ 153,172,625</u>	<u>\$ (5,988,244)</u>

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Utility	Solid Waste Utility	Sewer Utility	Totals	Internal Service Funds
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 28,729,651	\$ 14,736,158	\$ 10,633,221	\$ 54,099,030	\$ -
Cash Received from User Departments	-	-	-	-	8,253,898
Cash Paid to Suppliers for Goods and Services	(16,917,497)	(14,046,368)	(7,864,444)	(38,828,309)	(6,101,491)
Cash Paid to Employees for Services	(4,021,802)	(428,749)	(1,099,540)	(5,550,091)	(1,385,412)
Net Cash from Operating Activities	<u>7,790,352</u>	<u>261,041</u>	<u>1,669,237</u>	<u>9,720,630</u>	<u>766,995</u>
Cash Flows from Noncapital Financing Activities					
Grant Revenue	-	23,630	-	23,630	-
Cash Paid (to) from Other Funds	-	(265,000)	265,000	-	1,122,374
Net Cash from Noncapital Financing Activities	<u>-</u>	<u>(241,370)</u>	<u>265,000</u>	<u>23,630</u>	<u>1,122,374</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(3,330,485)	(55,482)	(305,555)	(3,691,522)	(560,663)
Proceeds from the Sale of Assets	359,638	-	29,350	388,988	66,650
Proceeds from Loans Issued	666,627	-	-	666,627	-
Principal Paid on Debt	(724,000)	-	-	(724,000)	-
Interest Paid on Debt	(367,434)	-	-	(367,434)	-
Net Cash from Capital and Related Financing Activities	<u>(3,395,654)</u>	<u>(55,482)</u>	<u>(276,205)</u>	<u>(3,727,341)</u>	<u>(494,013)</u>
Cash Flows from Investing Activities					
Interest on Investments	21,210	(6,015)	35,884	51,079	38,047
Net Cash from Investing Activities	<u>21,210</u>	<u>(6,015)</u>	<u>35,884</u>	<u>51,079</u>	<u>38,047</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,415,908	(41,826)	1,693,916	6,067,998	1,433,403
Cash and Cash Equivalents, Beginning of Year	24,686,337	1,954,183	15,543,997	42,184,517	4,720,845
Cash and Cash Equivalents, End of Year	<u>\$ 29,102,245</u>	<u>\$ 1,912,357</u>	<u>\$ 17,237,913</u>	<u>\$ 48,252,515</u>	<u>\$ 6,154,248</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ 5,135,649	\$ 156,119	\$ 156,954	\$ 5,448,722	\$ 1,134,841
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,160,657	-	780,989	2,941,646	250,226
(Increase) Decrease in Accounts Receivable	(478,560)	87,267	(185,680)	(576,973)	637
(Increase) Decrease in Due from Other Governments	-	-	(12)	(12)	-
(Increase) Decrease in Inventory and Prepaid Items	100,898	-	-	100,898	(68,980)
(Increase) Decrease in Deferred Outflows - Pensions	117,699	(4,079)	(28,396)	85,224	12,481
(Increase) Decrease in Deferred Outflows - OPEB	(199,699)	(18,314)	(61,011)	(279,024)	(68,158)
Increase (Decrease) in Accounts Payable	1,087,889	(107,415)	521,667	1,502,141	113,792
Increase (Decrease) in Accrued Salaries and Benefits	17,280	3,365	7,309	27,954	3,562
Increase (Decrease) in Retention Payable	111,951	-	4,340	116,291	-
Increase (Decrease) in Deposits Payable	(125,130)	-	-	(125,130)	-
Increase (Decrease) in Compensated Absences	21,445	(7,535)	(9,311)	4,599	22,729
Increase (Decrease) in Net Pension Liability	(193,188)	153,457	579,704	539,973	185,058
Increase (Decrease) in Net OPEB Liability	193,747	14,985	(20,190)	188,542	5,924
Increase (Decrease) in Deferred Inflows - Pensions	(117,677)	(17,585)	(50,298)	(185,560)	(42,817)
Increase (Decrease) in Deferred Inflows - OPEB	(42,609)	(4,411)	(26,828)	(73,848)	(25,042)
Increase (Decrease) in Unearned Revenue	-	5,187	-	5,187	-
Increase (Decrease) in Claims and Judgments	-	-	-	-	(757,258)
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,790,352</u>	<u>\$ 261,041</u>	<u>\$ 1,669,237</u>	<u>\$ 9,720,630</u>	<u>\$ 766,995</u>
Non Cash Investing, Capital and Financing Activities:					
Amortization of Premium on Bonds	\$ 34,347	\$ -	\$ -	\$ 34,347	\$ -
Contributions of Capital Assets	1,331,610	-	1,572,005	2,903,615	-

The accompanying notes are an integral part of this statement.

**City of Upland
Statement of Net Position
Fiduciary Funds
June 30, 2021**

	OPEB Trust Fund	Successor Agency Private-purpose Trust Fund	Custodial Funds
ASSETS			
Cash and Investments	\$ -	\$ 3,261,619	\$ 6,483,472
Cash and Investments with Fiscal Agent	-	2,255,937	20,749,562
Investments:			
Moderate Index PLUS	1,614,610	-	-
Notes Receivable, Net	-	302,383	-
Land Held for Resale	-	3,358,000	22,540
	<u>1,614,610</u>	<u>9,177,939</u>	<u>27,255,574</u>
Total Assets	<u>1,614,610</u>	<u>9,177,939</u>	<u>27,255,574</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	249,476	-
	<u>-</u>	<u>249,476</u>	<u>-</u>
LIABILITIES			
Accounts Payable	-	648	1,073,571
Accrued Salaries and Wages	-	178,977	-
Deposits Payable	-	-	376,921
Interest Payable	-	262,694	-
Bonds Payable	-	20,341,067	-
	<u>-</u>	<u>20,341,067</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>20,783,386</u>	<u>1,450,492</u>
NET POSITION			
Restricted for:			
OPEB	1,614,610	-	-
Successor Agency	-	(11,355,971)	-
Individuals and Organizations	-	-	21,124,702
Other Governments	-	-	4,680,380
	<u>-</u>	<u>-</u>	<u>4,680,380</u>
	<u>\$ 1,614,610</u>	<u>\$ (11,355,971)</u>	<u>\$ 25,805,082</u>

The accompanying notes are an integral part of this statement.

City of Upland
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2021

	OPEB Trust Fund	Successor Agency Private-purpose Trust Fund	Custodial Funds
ADDITIONS			
Contributions:			
Taxes and assessments collected for others	\$ -	\$ 3,221,742	\$ 5,588,856
Employer Contributions	225,000	-	-
Contributions from Bondholders	-	-	8,499,405
Miscellaneous	-	250	-
Investment Earnings:			
Interest Income	231,516	28,434	3,695
Total Additions	456,516	3,250,426	14,091,956
DEDUCTIONS			
General and Administrative	-	-	2,087,825
Development Services	-	344,324	-
Recipient Payments	-	-	2,505,240
Distributions to Shareholders	-	-	3,840,853
Interest Expense	-	584,820	-
Other Expenses	6,956	-	-
Total Deductions	6,956	929,144	8,433,918
Change in Net Position	449,560	2,321,282	5,658,038
Net Position - Beginning of Year, Restated	1,165,050	(13,677,253)	20,147,044
Net Position - End of Year	\$ 1,614,610	\$ (11,355,971)	\$ 25,805,082

The accompanying notes are an integral part of this statement.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Upland, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A) Financial Reporting Entity

The City was incorporated on May 15, 1906 under the general laws of the State of California. The City is governed by an elected five-member board.

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

Blended Component Unit

The Upland Public Financing Authority (Authority) is a Joint Exercise of Powers Authority under the Laws of the State of California. The Authority is authorized to issue bonds under the Mark-Roos Local Bond Pooling Act of 1985 (Article 1 through 4, Section 6500). The City and the former Community Redevelopment Agency formed the Authority in December 1988, by execution of a Joint Exercise of Powers Agreement. The purpose of the Authority is to provide financing to the City for various project purposes. Since the City Council serves as the governing board for the Authority, it is considered to be a blended component unit. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the data of the primary government. Separate financial statements are not issued for the Authority.

Discretely Presented Component Units

The West End Consolidated Water Company (Company) is a mutual water company and, in accordance with the Internal Revenue Code Section 501(c)(12), is exempt from Federal income taxes. The Company was formed to provide water services to its shareholders. As of June 30, 2021, the City of Upland owns 91% of the outstanding stock of the Company, representing a majority equity interest. The primary purpose of stock ownership is to secure rights to well water pumped. The Company is governed by a 5 member board, made up of one member appointed from each participating agency.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The San Antonio Water Company is a mutual water company and, in accordance with the Internal Revenue Code Section 501(c)(12), is exempt from Federal income taxes. The Company was formed to develop, distribute, supply and deliver water to its shareholders. As of June 30, 2021, the City of Upland owns 68% of the outstanding stock of the Company, representing a majority equity interest. The primary purpose of stock ownership is to secure rights to well water pumped. The Company is governed by a 7-member board of directors elected annually by the shareholders. One Upland City Council member is also on the board of the Company.

Separately issued financial reports are available for the West End Consolidated Water Company and the San Antonio Water Company. These reports may be obtained by contacting the following offices:

West End Consolidated Water Company
460 N. Euclid Avenue
Upland, CA 91785

San Antonio Water Company
139 N. Euclid Avenue
Upland, CA 91786

B) Basis of Accounting and Measurement Focus

The *basic financial statements* of the City are composed of the following:

- a) Government-wide financial statements
- b) Fund financial statements
- c) Notes to the basic financial statements

Government-wide Financial Statements:

Government-wide financial statements display information about the reporting entity as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are reported only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using *the economic resources measurement focus* and the *accrual basis of accounting*. Under the *economic resources measurement focus*, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the *accrual basis* of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as *general revenues*.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expense.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about the major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales taxes, property taxes, franchise taxes, intergovernmental revenue and rental income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Non-current portions of long-term receivables due from governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Proprietary and Fiduciary Funds

The City's enterprise and internal service funds are considered proprietary funds. Proprietary funds and fiduciary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. Proprietary funds are presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as an expense.

The custodial funds account for monies held for the benefit of other organizations and governments to which the City provides accounting and investing services. The private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

C) Fund Classifications

The City reports the following major governmental funds:

General Fund - The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund finances the basic services provided to residents including police and recreation.

Housing Fund - This fund accounts for the activities of the City that were previously reported in the low- and moderate-income housing redevelopment agency fund of the former Community Redevelopment Agency. The primary source of revenue is from rental income.

ARPA Fund - This fund accounts for the monies received and restricted by the American Rescue Plan Act.

The City reports the following major enterprise funds:

Water Utility Fund - This fund accounts for the sale of water to the City's citizens and businesses and also records expenditures for water operations and capital improvement projects.

Solid Waste Utility Fund - This fund accounts for the refuse pick-up services provided by private contract. Billing and collection is accomplished by City staff for residential services and by the contracted agency for commercial services. Activities include recycling and green waste programs.

Sewer Utility Fund - This fund records all City sewer service transactions, and also includes the storm drain maintenance and NPDES programs.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Additionally, the City reports the following fund types:

Internal Service Funds - These funds are used to account for self-funded insurance, fleet management, information systems, and building maintenance and operations. Departments of the City are charged for the services provided or benefits received from these funds.

OPEB Trust Fund – Used to account for the prefunding of post-employment benefits other than pension.

Private Purpose Trust Fund - Used to account for the activities of the Redevelopment Obligation Retirement Fund, and other Successor Agency activities. Resources are accumulated to retire obligations previously incurred by the former Community Redevelopment Agency.

Custodial Funds - Used to account for monies held for assessment districts and for the Welfare Committee.

D) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. *Investment income* earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less. Cash equivalents represent the proprietary funds' share in the cash and investment pool of the City.

E) Inventories and Prepaid Items

Inventories held by the General Fund and Water Fund are recorded at cost on a first-in, first-out basis and, for the General Fund, are recorded as expenditures as used (the consumption method). General Fund inventories consist primarily of fuel, office supplies, and small hand tools. Water Fund inventory consists of stored water.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

F) Land Held for Resale

Land held for resale represents land that was acquired for resale in accordance with the objective of the Redevelopment Project Area. These costs will be charged to current year project expenditures when the related land and structures are sold. Land held for resale is valued at the lower of cost or the sales price per contract with the developer.

G) Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are received within 60 days after year end. The property tax calendar is as follows:

Property Tax Calendar		County Remittance Dates and Percentages	
Lien date	January 1	December	30% Advance
Levy date	July 1	January	Collection No. 1
Due date	November 1 and February 1	April	10% Advance
Delinquent dates	December 11 and April 11	May	Collection No. 2
		July	Collection No. 3

H) Claims and Judgements

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability (including incurred but not reported) has been incurred prior to yearend and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the internal service fund that accounts for the City's self-insurance activities.

I) Employee Leave Benefits

Vacation: The City's policy permits employees to accumulate earned but unused vacation and similar compensatory leave balances, which are eligible for payment upon separation from City service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts are recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave: A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in payments upon retirement. This is estimated by including in the liability the unused balances of employees currently entitled to receive a payment upon retirement, as well as those who are expected to become eligible to receive the benefit payout as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J) Capital Assets

Capital assets (including infrastructure) greater than \$5,000 are capitalized and recorded at cost or at the estimated fair value of the assets at the time of acquisition where complete historical records have not been maintained. Contributed capital assets are valued at their acquisition value at the date of the contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, curbs and gutters, streets and sidewalks, medians, sewers and storm drains. As allowed by GASB Statement No. 34, certain infrastructure assets that were acquired, reconstructed or significantly improved prior to June 30, 1980 have not been included in the City's financial statements due to the unavailability of the information. Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, equipment and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

Governmental Activities		Business-type Activities	
Buildings and Improvements	50 years	Pipelines and Reservoirs	50 years
Park Improvements	10-50 years	Treatment Facilities	50 years
Equipment	5-10 years	Wells/Pumps	10-50 years
Vehicles	5-10 years	Sewer Manholes	50 years
Infrastructure - Street System	30-100 years	Equipment and Machinery	5-10 years
Infrastructure - Storm Drains	100 years	Vehicles	5-10 years

K) Notes and Loans Receivable

The accompanying financial statements report certain loans receivable for loans made to private developers, private homeowners, and other parties. Where applicable, an allowance for doubtful accounts has been recorded to reflect management's best estimate of probable losses associated with non-repayment.

L) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has certain items that qualify for reporting in this category: 1) a deferred charge on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price, which is deferred and amortized over the shorter of the life of the refunded or refunding debt, and 2) deferred outflows relating to the City's net pension and OPEB liabilities.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows for certain items under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues related to interest earned on loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows relating to the net pension and OPEB liabilities.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

M) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N) Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2019 Valuation Date; June 30, 2020 Measurement Date; and July 1, 2019 through June 30, 2020 Measurement Period.

O) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

P) Fund Balance

Nonspendable Fund Balance: this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

Restricted Fund Balance: this includes amounts that can be spent only for specific purposes stipulated by legal requirements imposed by other governments, external resource providers, or creditors. City Council-imposed restrictions do not create restricted fund balance unless the legal document that initially authorized the revenue (associated with that portion of fund balance) also included language that specified the limited use for which the authorized revenues were to be expended.

Committed Fund Balance: this includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (for example, resolution, ordinance, minutes action, etc.) that it employed to previously commit those amounts. If the Council action that limits the use of the funds was separate from the action that initially created the revenues that form the basis for the fund balance, then the resultant fund balance is considered to be committed, not restricted. The City considers a minute action to constitute a formal action of City Council for the purposes of establishing committed fund balance.

The City's committed fund balance includes:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- **Economic Uncertainty Reserve:**
Fund balance in the General Fund has been committed for economic uncertainties. Under the City's Ordinance, this reserve can be used if an economic impact resulting in a decrease of a 5% or more in property or sales taxes occurs. The City Council, through resolution, has established the initial Economic Uncertainty Reserve at \$10,300,000.
- **Emergency Disaster Contingency Reserve:**
Fund balance in the General Fund has been committed for emergency contingencies. An emergency shall mean a natural disaster, catastrophic events, or any situation requiring the declaration of an emergency as defined by Upland Municipal Code Section 2.20. The City Council, through resolution, has established the initial Emergency Disaster Contingency Reserve at \$1,000,000.

Assigned Fund Balance: this includes amounts that are intended to be used for specific purposes as indicated either by the City Council or by persons to whom the City Council has delegated the authority to assign amounts for specific purposes. The City Manager authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted through an adopted City Council resolution.

Unassigned Fund Balance: this includes the remaining spendable amounts which are not included in one of the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Q) Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements), as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive; inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

R) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

	Government-wide			
	Statement of Net Position			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and Investments	\$ 75,735,828	\$ 47,761,097	\$ 9,745,091	\$ 133,242,016
Restricted Cash and Investments	10,844,410	491,418	1,614,610	12,950,438
Cash and Investments with Fiscal Agent	-	-	23,005,499	23,005,499
Total Cash and Investments	\$ 86,580,238	\$ 48,252,515	\$ 34,365,200	\$ 169,197,953

Cash and investments as of June 30, 2021 consist of the following:

Cash on Hand	\$ 12,800
Deposits with Financial Institutions	12,315,234
Investments	156,869,919
Total Cash and Investments	\$ 169,197,953

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS – Continued

Authorized Investment Type	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
Municipal Securities	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	50%	50%
Commercial Paper	270 days	15%	10%
Bankers' Acceptances	180 days	40%	30%
Negotiable Certificates of Deposits	5 years	30%	None, if collateralized
Medium Term Notes/Corporate Bonds	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Supranational Securities	5 years	30%	10%

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Generally, the table below identifies the investment types that are authorized for investments held by bond trustees, subject to certain additional restrictions in the debt agreements. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity
U.S. Treasury Obligations	None
U.S. Government Agency Issues (with certain exceptions)	None
Banker's Acceptances	30-360 days
Commercial Paper	270 days
Money Market Funds	N/A
State and Municipal Obligations	None
Investment Agreements	None
Repurchase Agreements	None
Local Agency Investment Fund	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS – Continued

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 36 Months	37 to 60 Months	More than 60 Months
US Treasury Obligations	\$ 1,471,590	\$ -	\$ -	\$ 1,471,590	\$ -
U.S. Government Agency Securities	44,880,598	3,519,845	10,523,860	30,836,893	-
Medium-term Notes	516,175	-	516,175	-	-
Certificates of Deposit	14,447,809	4,288,252	5,131,386	5,028,171	-
Money Market Mutual Funds	3,029,326	3,029,326	-	-	-
Local Agency Investment Fund (LAIF)	57,265,616	57,265,616	-	-	-
Mutual Funds	12,253,290	12,253,290	-	-	-
Held by Fiscal Agent					
Money Market Mutual Funds	23,005,515	23,005,515	-	-	-
Total Pooled Investments	\$156,869,919	\$103,361,844	\$ 16,171,421	\$ 37,336,654	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's Investment Policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	Actual Rating			
			Aaa	Aaa3 - Aa1	A1, A2, A3	Not Rated
US Treasury Obligations	\$ 1,471,590	N/A	\$ 1,471,590	\$ -	\$ -	\$ -
U.S. Government Agency Securities	44,880,598	N/A	44,880,598	-	-	-
Medium-term Notes	516,175	A	516,175	-	-	-
Certificates of Deposit	14,447,809	N/A	-	-	-	14,447,809
Money Market Mutual Funds	3,029,326	A	3,029,326	-	-	-
Local Agency Investment Fund (LAIF)	57,265,616	N/A	-	-	-	57,265,616
Mutual Funds	12,253,290	N/A	-	-	-	12,253,290
Held by Fiscal Agent						
Money Market Mutual Funds	23,005,515	A	23,005,515	-	-	-
Total Pooled Investments	\$156,869,919		\$ 72,903,204	\$ -	\$ -	\$ 83,966,715

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2021, the City's investments with each of the following issuers exceed 5% of its total investments.

Issuer	Investment Type	Reported Amount	Maturity	Interest (%)
FFCB	Federal Agency Securities	\$ 13,637,179	2021-2025	.450 - 1.96
FHLB	Federal Agency Securities	15,821,439	2025-2026	.200 - .820
FHLMC	Federal Agency Securities	10,918,800	2024-2025	.375 - .600

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS – Continued

the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City’s investment in this pool is reported in the accompanying financial statements at amounts based upon the City’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Based upon the fair value measurements described in Note 1, the City held the following investments as of June 30, 2021:

Investment Type	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
US Treasury Obligations	\$ 1,471,590	\$ 1,471,590	\$ -	\$ -
U.S. Government Agency Securities	44,880,598	-	44,880,598	-
Medium-term Notes	516,175	-	516,175	-
Certificates of Deposit	14,447,809	-	14,447,809	-
Total	\$ 61,316,172	\$ 1,471,590	\$ 59,844,582	\$ -

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/From - As of June 30, 2021, the General Fund has an outstanding receivable from non-major governmental funds of \$670,700 to cover current year operating deficits. These deficits will be repaid with future revenues and when receivables are collected.

Interfund transfers for the year ended June 30, 2021 are as follows:

TRANSFERS OUT	TRANSFERS IN			Total
	Nonmajor Governmental Funds	Sewer Utility Fund	Internal Service Funds	
General Fund	\$ 400,000	\$ -	\$1,264,509	\$1,664,509
Housing	-	-	50,865	50,865
Solid Waste Fund	-	265,000	-	265,000
Internal Service Funds	193,000	-	-	193,000
	\$ 593,000	\$ 265,000	\$1,315,374	\$2,173,374

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

The General Fund transferred \$400,000 to the nonmajor governmental funds to fund projects. In addition, the General Fund transferred \$1,264,509 to the Internal Service Funds for claims liabilities, vehicle replacements, and information systems. The Solid Waste Fund transferred \$265,000 to the Sewer Fund to pay for landfill costs. The Internal Service Funds transferred \$193,000 to the Nonmajor Governmental Funds for capital improvement projects.

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 is as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 5,053,610	\$ -	\$ -	\$ 5,053,610
Rights of Way	103,432,811	-	-	103,432,811
Street Trees	3,537,384	-	-	3,537,384
Construction in Progress	5,125,052	4,016,878	(7,879,061)	1,262,869
Total Capital Assets, Not Being Depreciated	117,148,857	4,016,878	(7,879,061)	113,286,674
Capital Assets Being Depreciated:				
Building and improvements	42,730,602	922,421	-	43,653,023
Land Improvements	1,093,419	4,587,536	-	5,680,955
Park Improvements	12,224,414	205,737	(59,990)	12,370,161
Equipment	7,095,702	925,197	(6,200)	8,014,699
Vehicles	4,123,098	555,538	(439,375)	4,239,261
Infrastructure - Bridge	4,081,500	-	-	4,081,500
Infrastructure - Street System	185,652,690	2,507,172	(815,003)	187,344,859
Infrastructure - Storm Drains	24,855,433	207,867	-	25,063,300
Total Capital Assets Being Depreciated	281,856,858	9,911,468	(1,320,568)	290,447,758
Less Accumulated Depreciation:				
Building and improvements	(13,707,086)	(836,327)	-	(14,543,413)
Land Improvements	(259,737)	(27,972)	-	(287,709)
Park Improvements	(7,039,384)	(388,642)	59,990	(7,368,036)
Equipment	(5,183,792)	(600,768)	6,200	(5,778,360)
Vehicles	(2,404,047)	(466,096)	439,375	(2,430,768)
Infrastructure - Bridge	-	(81,630)	-	(81,630)
Infrastructure - Street System	(77,733,154)	(4,789,799)	815,003	(81,707,950)
Infrastructure - Storm Drains	(4,674,996)	(248,554)	-	(4,923,550)
Total Accumulated Depreciation	(111,002,196)	(7,439,788)	1,320,568	(117,121,416)
Total Capital Assets Being Depreciated, Net	170,854,662	2,471,680	-	173,326,342
Governmental Activities, Capital Assets, Net	\$ 288,003,519	\$ 6,488,558	\$ (7,879,061)	\$ 286,613,016

Depreciation expense was charged to the following functions for governmental activities in the Statement of Activities:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

4) CAPITAL ASSETS – Continued

General Government	\$	732,848
Public Safety		858,915
Engineering and Public Works		5,397,715
Community Services		450,310
	<u>\$</u>	<u>7,439,788</u>

Business Type Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 3,775,574	\$ -	\$ (820,713)	\$ 2,954,861
Construction in Progress	1,291,357	4,228,917	(1,270,446)	4,249,828
Total Capital Assets, Not Being Depreciated	<u>5,066,931</u>	<u>4,228,917</u>	<u>(2,091,159)</u>	<u>7,204,689</u>
Capital Assets Being Depreciated:				
Pipelines	63,696,268	4,159,180	(896,842)	66,958,606
Reservoirs	37,930,167	5,604	-	37,935,771
Land Improvements	9,870	-	-	9,870
Treatment Facilities	14,549,932	-	-	14,549,932
Wells/pumps	5,340,879	-	-	5,340,879
Sewer Manholes	2,784,068	-	-	2,784,068
Machinery and Equipment	1,461,387	116,181	-	1,577,568
Vehicles	3,115,551	176,414	(456,814)	2,835,151
Total Capital Assets Being Depreciated	<u>128,888,122</u>	<u>4,457,379</u>	<u>(1,353,656)</u>	<u>131,991,845</u>
Less Accumulated Depreciation:				
Pipelines	(18,391,233)	(1,273,926)	643,670	(19,021,489)
Reservoirs	(13,763,442)	(739,291)	-	(14,502,733)
Land Improvements	(1,974)	(987)	-	(2,961)
Treatment Facilities	(6,836,650)	(290,999)	-	(7,127,649)
Wells/pumps	(1,597,758)	(106,464)	-	(1,704,222)
Sewer Manholes	(2,106,610)	(42,232)	-	(2,148,842)
Machinery and Equipment	(1,093,385)	(95,314)	-	(1,188,699)
Vehicles	(1,822,985)	(392,433)	456,814	(1,758,604)
Total Accumulated Depreciation	<u>(45,614,037)</u>	<u>(2,941,646)</u>	<u>1,100,484</u>	<u>(47,455,199)</u>
Total Capital Assets Being Depreciated, Net	<u>83,274,085</u>	<u>1,515,733</u>	<u>(253,172)</u>	<u>84,536,646</u>
Business Activities, Capital Assets, Net	<u>\$ 88,341,016</u>	<u>\$ 5,744,650</u>	<u>\$ (2,344,331)</u>	<u>\$ 91,741,335</u>

Depreciation expense was charged to the following programs for business-type activities in the Statement of Activities:

Water Utility	\$	2,160,657
Sewer Utility		780,989
	<u>\$</u>	<u>2,941,646</u>

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

5) LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due in one year
Governmental Activities					
Compensated Absences Payable	\$ 2,015,250	\$ 1,345,957	\$ 1,156,197	\$ 2,205,010	\$ 1,111,007
Net OPEB Liability	9,683,091	1,529,426	-	11,212,517	-
Net Pension Liability	100,667,068	5,729,243	-	106,396,311	-
Claims Payable	10,504,707	3,068,055	3,825,313	9,747,449	2,949,359
Loans from Direct Borrowings:					
2017 Multifamily Housing Rev. Note	13,372,270	-	557,098	12,815,172	579,825
Energy Efficiency Lease	2,467,501	-	151,846	2,315,655	164,463
CREBS Lease Agreement	4,472,265	-	30,634	4,441,631	55,603
Total Direct Borrowings	20,312,036	-	739,578	19,572,458	799,891
Total Government Activities	<u>\$ 143,182,152</u>	<u>\$ 11,672,681</u>	<u>\$ 5,721,088</u>	<u>\$ 149,133,745</u>	<u>\$ 4,860,257</u>

The liability for compensated absences, Net OPEB, and Net Pension are generally liquidated by the General Fund and internal service funds.

2017 Multifamily Housing Revenue Note (direct borrowing)

On July 26, 2017, the City entered into a Multifamily Housing Revenue Note agreement in the amount of \$14,865,000 for the purpose of refunding the 2007 Housing Revenue Bonds. Proceeds from the loan were used to refund in full the 2007 Multifamily Housing Revenue Bonds. The 2007 Multifamily Housing Revenue Bonds were used to finance certain redevelopment projects in the project area of the former Community Redevelopment Agency and to advance refund previous Housing Revenue Bonds. Upon the issuance of the 2017 Housing Revenue Note, the 2007 Bonds are considered defeased and the liability has been removed from these financial statements. Principal and interest are payable in monthly payments due the first of each month, with the final payment scheduled for August 1, 2037. Payments are secured by a pledge of revenues generated by apartment rentals that have been assigned to the Housing Fund of the City pursuant to Assembly Bills 1x26 and 1484. The loan agreement contains provisions that in an event of default, outstanding amounts may become immediately due if the City is unable to make payment.

The following represents the future annual debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 579,825	\$ 502,116	\$ 1,081,941
2023	603,417	478,495	1,081,912
2024	626,750	455,162	1,081,912
2025	653,536	428,376	1,081,912
2026	680,162	401,750	1,081,912
2027-2031	3,838,685	1,570,875	5,409,560
2032-2036	4,687,218	722,342	5,409,560
2037-2038	1,145,579	26,986	1,172,565
Totals	<u>\$ 12,815,172</u>	<u>\$ 4,586,102</u>	<u>\$ 17,401,274</u>

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

5) LONG-TERM LIABILITIES – Continued

Energy Efficiency Lease Agreement (direct borrowing)

In August 2017, the City entered into a lease-purchase agreement for the acquisition and installation of certain energy conservation equipment including lighting and HVAC (non-solar) with an aggregate principal borrowing of \$2,797,094. The proceeds were to be used to pay for energy efficiency and conservation improvements as specified in the agreement. The payments bear interest at 3.60% and are due and payable semi-annually on February 24th and August 24th each year, maturing on August 24, 2032. The General Fund will generally be responsible for making the debt service payments annually.

The annual debt service requirements for the lease agreement as of June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 164,463	\$ 97,859	\$ 262,322
2023	171,137	90,646	261,783
2024	172,741	83,285	256,026
2025	176,862	75,825	252,687
2026	183,160	68,162	251,322
2027-2031	1,060,729	213,569	1,274,298
2032-2033	386,563	16,835	403,398
Totals	<u>\$ 2,315,655</u>	<u>\$ 646,181</u>	<u>\$ 2,961,836</u>

CREBS Lease Agreement (direct borrowing)

In August 2017, the City entered into a lease-purchase agreement for the acquisition, construction and installation of certain energy conservation equipment and improvements (solar) with an aggregate principal borrowing of \$4,548,393. The proceeds were to be used to pay for certain issuance costs and energy efficiency and conservation improvements as specified in the agreement. The payments bear interest at 3.46% and are due and payable semi-annually, on February 24th and August 24th each year, maturing on August 24, 2037. The General Fund will generally be responsible for making the debt service payments annually.

The annual debt service requirements for the lease agreement as of June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 55,603	\$ 153,375	\$ 208,978
2023	83,657	151,088	234,745
2024	98,346	148,070	246,416
2025	114,018	144,535	258,553
2026	130,727	140,448	271,175
2027-2031	944,597	619,005	1,563,602
2032-2036	2,118,975	382,908	2,501,883
2037-2038	895,708	31,400	927,108
Totals	<u>\$ 4,441,631</u>	<u>\$ 1,770,829</u>	<u>\$ 6,212,460</u>

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

5) LONG-TERM LIABILITIES – Continued

Changes in long-term liabilities for business-type activities are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due in one year
Business-type Activities					
Compensated absences payable	\$ 385,153	\$ 297,772	\$ 293,173	\$ 389,752	\$ 214,828
Net OPEB Liability	2,247,774	188,542	-	2,436,316	-
Net Pension Liability	13,460,201	539,973	-	14,000,174	-
2011 Revenue Refunding Bonds	7,200,000	-	380,000	6,820,000	395,000
Unamortized premium	446,494	-	34,347	412,147	-
Loans from Direct Borrowings:					
SAWCO Loan	1,376,000	-	344,000	1,032,000	344,000
SWRCB Loan	-	666,627	-	666,627	-
Total Direct Borrowings	1,376,000	666,627	344,000	1,698,627	344,000
Total Business-type Activities	<u>\$ 25,115,622</u>	<u>\$ 1,692,914</u>	<u>\$ 1,051,520</u>	<u>\$ 25,757,016</u>	<u>\$ 953,828</u>

2011 Lease Revenue Refunding Bonds (Water System)

In December 2011, the City issued \$12,140,000 of 2011 Lease Revenue Refunding Bonds to provide for the advance refunding of the remaining portion of the City's 2003 Lease Revenue Refunding Bonds and 2003 Lease Revenue Bonds. Interest rates on the bonds range from 2.0% to 4.0% and are payable semi-annually on April 1 and October 1 of each year until maturity on October 1, 2033. The City has purchased bond insurance to satisfy the reserve requirements for these Bonds.

The Bonds are secured by a pledge of net revenues of the water system and requires that the City set rates, fees, and charges for each fiscal year so as to yield system net revenues during each fiscal year equal to 125% of the annual debt service (including parity debt, if any).

All system net revenues are irrevocably pledged to the payment of the installment payments, which approximate \$26 million annually. Principal and interest payments on the bonds for the 2020-21 fiscal year totaled \$716,250. The Bond indenture contains a provision that in an event of default, outstanding amounts may become immediately due if the City is unable to make payment. The future debt service requirements are as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2022	\$ 395,000	\$ 320,750	\$ 715,750
2023	410,000	304,650	714,650
2024	430,000	287,850	717,850
2025	440,000	268,250	708,250
2026	465,000	245,625	710,625
2027-2031	2,710,000	844,750	3,554,750
2032-2034	1,970,000	151,000	2,121,000
Totals	<u>\$ 6,820,000</u>	<u>\$ 2,422,875</u>	<u>\$ 9,242,875</u>

**City of Upland
Notes to Financial Statements
Year Ended June 30, 2021**

5) LONG-TERM LIABILITIES – Continued

SAWCO Loan Payable (direct borrowing)

In March 2019, the City entered into an agreement with the San Antonio Water Company (SAWCO) to purchase land valued at \$1,720,000. The transaction was executed in September of 2019. SAWCO sold the land in exchange for a promissory note for \$1,720,000. The loan is payable from the City in equal installments of \$344,000 bearing an interest rate of 1.88%. The principal and interest payments are due on December 10, of each year with the final payment maturing on December 10, 2023.

The future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 344,000	\$ 25,869	\$ 369,869
2023	344,000	12,934	356,934
2024	344,000	6,467	350,467
Totals	<u>\$ 1,032,000</u>	<u>\$ 45,270</u>	<u>\$ 1,077,270</u>

SWRCB Loan Payable (direct borrowing)

The City has entered into a Construction Installment Sale Agreement with the California State Water Resources Control Board (State), to finance the replacement of a 7.5 MG reservoir (Project). The State has agreed to provide Project funds not to exceed \$16.5 million. As of June 30, 2021, the City has drawn down \$666,627 under the agreement.

Interest is accrued on the loan at 1.9% per annum, beginning with each drawdown. The City must pay interest annually during Project construction. Principal payments are not required until Project completion, with a final payment date of April 1, 2052. Upon completion of the Project, the City will be required to make annual payments of both principal and interest, based on a final payment schedule to be provided by the State at that time. Future debt service requirements will be disclosed for this loan upon Project completion.

The loan is secured by a lien on and pledge of net revenues in the City's Water Fund. The City is required to establish and maintain a reserve fund prior to Project completion, in an amount equal to one year's debt service on the loan.

6) OTHER POST EMPLOYMENT BENEFITS

General Information About the OPEB Plan

Plan Description – The City administers a single-employer defined benefit healthcare plan (“the Plan”) which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. After age 65, Medicare automatically becomes the primary provider of health coverage. The City's defined benefit plan becomes the secondary provider. Eligible retirees will have no noticeable change in health benefits or plan administration; however, there is a reduction in the City's cost of health coverage as the secondary provider. The City's defined benefit plan administrator establishes the cost of secondary provider rates annually. There is no separate audited benefit plan report available. The City will pay a portion of the eligible retirees' health coverage depending on their years of service.

Benefits Provided – Employees are eligible for retiree health benefits if they retire from the City on or after age 50 with at least 10 years of service, and are eligible for a PERS pension.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

6) OTHER POST EMPLOYMENT BENEFITS – Continued

City Service	Monthly City Contribution	
	Retiree	Spouse
10 - 14 years	\$ 72.57	\$ 45.00
15 - 19 years	96.81	45.00
20 - 24 years	121.05	45.00
25 or more years	145.14	45.00

Employees Covered by Benefit Terms – As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	229
Inactive plan members entitled to but not yet receiving benefits	12
Active employees	198
Total	439

Contributions – The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contributions to the Plan are based on the costs to provide the benefits as described above on a pay as you go basis. For the fiscal year ended June 30, 2021, the City’s pay-as-you-go costs were \$772,138. In addition, as the City’s budget allows, the City will make additional contributions to the OPEB Trust Account, administered by the Public Agency Retirement Systems (PARS).

Net OPEB Liability - The City’s net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	2017 CalPERS Active Mortality
Age at Retirement	Varies, 55 to 62
Health Care Trend Rate	5.40% initial, 4.0% ultimate
Inflation Rate	2.50%
Salary Changes	3.00%
Discount Rate	2.23%
Asset Return	5.91%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Rate of Return
Fixed Income	45%	1.75%
Equities	50%	5.00%
Cash	5%	0.00%
Total	100.00%	

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

6) OTHER POST EMPLOYMENT BENEFITS – Continued

Discount Rate – The discount rate of 2.23% is a blended rate between the rate of return of 5.91% and 2.21%, the resulting rate using the Bond Buyer 20-Bond GO index.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (TOL)	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2020 (2019 Measurement Date)	\$ 13,050,100	\$ 1,119,235	\$ 11,930,865
Changes in the year:			
Service cost	166,888	-	166,888
Interest on the total OPEB liability	448,931	-	448,931
Employer contributions	-	853,875	(853,875)
Actual investment income	-	65,978	(65,978)
Differences between expected and actual experience	-	-	-
Changes of assumptions	2,001,839	-	2,001,839
Administrative Expense	-	(5,696)	5,696
Benefit payments, including refunds	(853,875)	(853,875)	-
Investment Experience	-	(14,467)	14,467
Net changes	1,763,783	45,815	1,717,968
Balance at June 30, 2021 (2020 Measurement Date)	\$ 14,813,883	\$ 1,165,050	\$ 13,648,833

Sensitivity of the Net OPEB Liability to changes in the Discount Rate - The following presents the net OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.23%)	Discount Rate (2.23%)	1% Increase (3.23%)
Net OPEB liability (asset)	\$ 15,563,875	\$ 13,648,833	\$ 12,047,246

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the District, as well as what the District's Net OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset)	\$ 12,873,585	\$ 13,648,833	\$ 14,567,907

OPEB Plan Fiduciary Net Position

PARS issues a publicly available financial report that may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave., Newport Beach, CA 92660.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

6) OTHER POST EMPLOYMENT BENEFITS – Continued

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of \$738,532. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
OPEB Contributions Subsequent to the Measurement Date	\$ 997,138	\$ -
Changes of Assumptions	2,135,872	-
Net differences between expected and actual experience	-	1,157,813
Net differences between projected and actual earnings on plan investments	16,080	-
Total	\$ 3,149,090	\$ 1,157,813

The \$997,138 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	
2022	\$ 182,994
2023	179,588
2024	177,901
2025	274,987
2026	178,669
Thereafter	-

7) TAX ABATEMENT

The City enters into various tax abatement agreements for the purpose of attracting or retaining businesses within the City's jurisdiction. In June 2007, a fifteen-year agreement was entered into with a commercial concrete and asphalt company. As an incentive to continue to operate within the City, the City will pay the company the greater of 60% of all sales tax revenue generated in any fiscal year or \$400,000. The amount of sales tax abated to that company for the fiscal year ended June 30, 2021 was \$562,599.

8) DEBT WITHOUT GOVERNMENT COMMITMENT

The City has various outstanding bond issues which are not reflected in these financial statements. These bond issues are special obligations payable solely from and secured by specific revenue sources described in the resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Successor Agency to UCRA, the State of California or any political subdivision thereof, is pledged for the payment of these bonds. No legal obligation on the part of the City exists to make payments on the bonds from any source other than the revenues or assets pledged therefore. The programs are completely administered by trustees, and the total outstanding balance at June 30, 2021 is \$59,055,000.

**City of Upland
Notes to Financial Statements
Year Ended June 30, 2021**

9) CLAIMS AND JUDGEMENTS

The City is exposed to various risks of loss related to its operation, including losses associated with errors and omissions, injuries to employees and members of the public. The City's Self-funded Insurance Internal Service Fund is used to account for and finance its uninsured risks of loss. The City purchases coverage from Municipal Insurance Cooperative (MIC) for general liability coverage, with a limit up to \$10M. MIC provides coverage in excess of the City's self-insured retention of \$400,000. Excess general liability coverage is also obtained through excess carriers up to \$20M in limits. Starstone National Insurance provides \$10M excess and Market Insurance Company provides the second layer of excess coverage.

The City is self-insured for workers' compensation through its membership with the Municipal Insurance Cooperative Joint Powers Authority, covering occupation injuries and employer's liability insurance. Through its participation in this program, the City has retained a limit of \$1M per occurrence purchased through Arch Insurance Group covering up to statutory limits under California Workers' Compensation law. Additionally, the City purchases a buffer layer policy to reduce the \$1M retention to \$500,000 covering occupation injuries and employer's liability insurance provided by Great American E&S Insurance Company.

In the past three years, no claims for general liability or workers' compensation have exceeded the City's purchased insurance coverage.

The claims and judgments liability reported in the Self-funded Insurance Internal Service Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims and judgments be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. As of June 30, 2021, claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to \$9,747,449.

Changes in the claims and judgments payable amounts in fiscal years ended June 30, 2020 and 2021 for the Self-funded Insurance Fund are as follows:

Year Ended June 30,	Beginning of Year	Claims and Changes in Estimates	Claim Payments	End of Year
2021	\$ 10,504,707	\$ 3,068,055	\$ 3,825,313	\$ 9,747,449
2020	10,338,208	4,186,959	4,020,460	10,504,707

10) PENSION PLANS

General Information about the Pension Plans - Miscellaneous

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the City's separate Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website: www.calpers.ca.gov

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

10) PENSION PLANS – Continued

Benefits Provided: The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the plan’s June 30, 2019 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website.

The Plans’ provisions that are in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52
Monthly benefits, as a % of eligible compensation	(1)	(1)
Required employee contribution rates	8%	7.25%
Required employer contribution rates	11.567% + \$3,113,125	7.25%

(1) - Depending on years of service

Employees Covered: At June 30, 2021, the following number of employees were covered by the benefit terms for the Plan:

	Miscellaneous
Inactive employees or beneficiaries	
currently receiving benefits	414
Inactive employees entitled to but not yet	
receiving benefits	263
Active employees	144

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

**City of Upland
Notes to Financial Statements
Year Ended June 30, 2021**

10) PENSION PLANS – Continued

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plans is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions: The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

10) PENSION PLANS – Continued

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

(1) An expected inflation of 2.0% used for this period.

(2) An expected inflation of 2.92% used for this period.

Discount Rate – The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous Plan are as follows:

	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019	\$ 134,227,077	\$ 93,733,090	\$ 40,493,987
Changes in the year:			
Service cost	1,461,755	-	1,461,755
Interest on the total pension liability	9,399,565	-	9,399,565
Changes of benefit terms	-	-	-
Differences between expected and actual experience	532,528	-	532,528
Changes in assumptions	-	-	-
Net Plan to Plan Resource Movement	-	-	-
Contributions from the employer	-	4,697,971	(4,697,971)
Contributions from employees	-	670,433	(670,433)
Net investment income	-	4,621,628	(4,621,628)
Benefit payments, including refunds	(8,056,083)	(8,056,083)	-
Administrative/other expense	-	(132,141)	132,141
Net changes	3,337,765	1,801,808	1,535,957
Balance at June 30, 2020	\$ 137,564,842	\$ 95,534,898	\$ 42,029,944

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

10) PENSION PLANS – Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

		Miscellaneous	
1% Decrease		6.15%	
Net Pension Liability	\$	59,187,085	
Current Discount Rate		7.15%	
Net Pension Liability	\$	42,029,944	
1% Increase		8.15%	
Net Pension Liability	\$	27,843,849	

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension expense of \$5,296,881 for the Miscellaneous Plan. At June 30, 2021, the City reported deferred outflows and deferred inflows for the Miscellaneous Plan from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,088,720	\$ -
Differences between actual and expected experience	252,250	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	653,688	-
Total	\$ 4,994,658	\$ -

\$4,088,720 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending June 30,		
2022	\$	(201,947)
2023		234,165
2024		481,428
2025		392,292
2026		-
Thereafter		-

**City of Upland
Notes to Financial Statements
Year Ended June 30, 2021**

10) PENSION PLANS – Continued

General Information about the Pension Plans – Safety

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-sharing Multiple-employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire). Plan assets may be used to pay benefits for any employer rate plan of the safety pool. Accordingly, rate plans within the safety pool are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety pool. The City sponsors five rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website: www.calpers.ca.gov

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2019 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2019 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

The rate plan provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Safety	Safety PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3% @ 55	2.7% @ 55
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52
Monthly benefits, as a % of eligible compensation	(1)	(1)
Required employee contribution rates	9%	12.25%
Required employer contribution rates	19.141% + \$5,897,819	13.750% + \$44,083

(1) - Depending on years of service

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$5,941,902 in fiscal year 2021. The City’s contributions to the Plan for the year ended June 30, 2021 were \$7,041,790.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

10) PENSION PLANS – Continued

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2020, the City reported a liability of \$78,366,541 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the Plan's net pension liability as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.71858%
Proportion - June 30, 2020	0.72025%
Change - Increase (Decrease)	0.00167%

For the year ended June 30, 2021, the City recognized pension expense of \$4,103,710. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Safety pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 7,041,790	\$ -
Differences between actual and expected experience	6,076,928	-
Changes in assumptions	-	261,040
Change in employer's proportion and differences	25,696	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	1,472,227
Net differences between projected and actual earnings on plan investments	1,703,235	-
Total	<u>\$ 14,847,649</u>	<u>\$ 1,733,267</u>

The \$7,041,790 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2022	\$ 1,209,390
2023	2,298,888
2024	1,710,898
2025	853,416
2026	-
Thereafter	-

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

10) PENSION PLANS – Continued

Actuarial Assumptions – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

(1) Depends on entry age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

(1) An expected inflation of 2.0% used for this period.

(2) An expected inflation of 2.92% used for this period.

**City of Upland
Notes to Financial Statements
Year Ended June 30, 2021**

10) PENSION PLANS – Continued

Discount Rate – The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		6.15%
Net Pension Liability	\$	108,758,508
Current Discount Rate		7.15%
Net Pension Liability	\$	78,366,541
1% Increase		8.15%
Net Pension Liability	\$	53,427,057

Pension Plan Fiduciary Net Position – Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan - At June 30, 2021, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2021.

The total pension expense for the miscellaneous and safety plan was \$9,400,591.

11) EQUITY INTERESTS

The City has ownership in the San Antonio and West End water companies based upon the number of stock shares owned. To protect the water rights for the citizens of Upland, the City’s water utility has followed the practice of purchasing shares of stock in the water companies as they become available. The City’s primary motivation for owning shares in the water companies is to secure rights to well water pumped by the two companies. One Upland City Council member is also on the Board of San Antonio Water Company. As development takes place within the City, the City requires developers to contribute 1.5 shares for each acre developed. The City’s equity interests in the water companies has been recorded using the equity method of accounting and is reflected as an equity interest in the accompanying financial statements.

On February 19, 1980, the Water Facilities Authority was created under a joint exercise of powers agreement for the acquisition and construction of facilities to supply water to the inhabitants within the boundaries of its members. The Authority’s Board of Directors consists of one member appointed from each participating agency. The City’s investment in the Authority has been recorded using the equity method of accounting and is reflected as an equity interest in the accompanying financial statements.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

11) EQUITY INTERESTS - Continued

Separate financial statements may be obtained for the San Antonio Water Company and Liquidation Trust at 139 North Euclid Avenue, Upland, California; for the West End Consolidated Water Company at 460 N. Euclid Avenue, Upland, California; and for the Water Facilities Authority at 1775 North Benson Avenue, Upland, California. The following schedule summarizes the City's investment in joint ventures at June 30, 2021 and the gain (loss) on the investment for the year then ended:

Water Company	Percentage Ownership	Total Joint Venture Equity	City's Equity Interest	City's Share of Joint Venture Net Income (Loss)
San Antonio Water Company	70.67%	\$ 28,786,047	\$ 20,342,620	\$ 1,202,451
West End Water Company	91.18%	2,524,257	2,301,617	107,694
Water Facilities Authority	23%	28,836,271	6,632,343	598,683
Total			<u>\$ 29,276,580</u>	<u>\$ 1,908,828</u>

12) SUCCESSOR AGENCY ACTIVITIES

Changes in long-term liabilities for the Successor Agency are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due in one year
Fiduciary Fund Long-term Debt					
2013 Tax Allocation Bonds	\$ 9,005,000	\$ -	\$ 2,115,000	\$ 6,890,000	\$ 2,200,000
2016 Tax Allocation Bonds	11,760,000	-	175,000	11,585,000	185,000
Unamortized Premium	2,157,765	-	291,698	1,866,067	-
Total Fiduciary Fund Debt	<u>\$ 22,922,765</u>	<u>\$ -</u>	<u>\$ 2,581,698</u>	<u>\$ 20,341,067</u>	<u>\$ 2,385,000</u>

2013 Tax Allocation Refunding Bonds

On May 9, 2013, the Successor Agency of the former Upland Community Redevelopment Agency issued tax allocation refunding bonds in the amount of \$22,090,000 to refund the outstanding aggregate principal amount of the 1998 and 2003 Tax Allocation Bonds. Interest rates on the bonds range from 2.00% to 5.00% and are payable semi-annually on March 1 and September 1 of each year until maturity. The interest and principal of the bonds are payable from pledged tax increment revenues of the Merged Project Area. Term Bonds maturing September 1, 2018 and September 1, 2023 are subject to mandatory sinking fund redemption, in part by lot, on September 1, 2015 and September 1, 2019, respectively, and on each September 1 thereafter at a price equal to the principal amount thereof plus accrued interest. There are certain limitations regarding the issuance of parity debt as further described in the official statement.

The future debt service requirements for the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 2,200,000	\$ 278,500	\$ 2,478,500
2023	2,290,000	177,250	2,467,250
2024	2,400,000	60,000	2,460,000
Totals	<u>\$ 6,890,000</u>	<u>\$ 515,750</u>	<u>\$ 7,405,750</u>

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

12) SUCCESSOR AGENCY ACTIVITIES – Continued

2016 Tax Allocation Refunding Bonds

On September 14, 2016, the Successor Agency of the former Redevelopment Agency issued tax allocation refunding bonds in the amount of \$12,275,000 to refund the outstanding aggregate principal amount of the 2006 Tax Allocation Bonds. Interest rates on the 2016 Bonds range from 2.00% to 5.00%, and payments are due semi-annually on March 1 and September 1 of each year until maturity. The interest and principal of the bonds are payable from pledged tax increment revenues of the Merged Project Area. Term Bonds maturing September 1, 2036 are subject to mandatory sinking fund redemption, in part by lot, on September 1, 2029, and on each September 1 thereafter at a price equal to the principal amount thereof, plus accrued interest.

The future debt service requirements for the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	185,000	466,188	651,188
2023	190,000	458,687	648,687
2024	205,000	450,787	655,787
2025	2,395,000	386,813	2,781,813
2026	2,530,000	263,688	2,793,688
2027-2031	3,180,000	607,319	3,787,319
2032-2036	2,380,000	239,388	2,619,388
2037	520,000	7,150	527,150
Totals	<u>\$ 11,585,000</u>	<u>\$ 2,880,020</u>	<u>\$ 14,465,020</u>

13) CONTINGENT RECEIVABLE

Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. San Bernardino County Transportation Authority (SBCTA), the regional transportation authority, administers Measure I revenue and is responsible for determining which projects receive Measure I funding, and ensuring that transportation projects are implemented. In June of 2012, the City and SBCTA entered into a Jurisdiction Master Agreement. Per the terms of the Agreement, SBCTA will reimburse the City for the public share of eligible project expenditures with Measure I funds in an amount determined by SBCTA. SBCTA is to annually adopt a funding allocation and project list and will notify the City of the Measure I allocation and the list of eligible projects for reimbursement. The City will prepare and submit to SBCTA invoices for reimbursement of those eligible expenditures.

Revenues are recognized by the City when both eligible expenditures have been incurred and annual funding allocations are approved by SBCTA. At June 30, 2021, prior expenditures related to the Foothill Boulevard Widening Project, which total over \$3.5 million are included in the Measure I projects eligible for reimbursement. However, due to limited program tax revenue accruals from 2010, only \$2,590,094 of project costs have been approved for disbursements by SBCTA and recorded as revenue as of June 30, 2021. Of this amount, \$1,807,920 was received in prior years and \$213,810 remained outstanding as of June 30, 2021. Future reimbursements are expected to coincide with annual tax revenue generated under the Measure I program for arterial transportation projects.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

14) FUND BALANCE

The City's governmental fund balances at June 30, 2021, are presented below:

	General Fund	Housing Fund	ARPA Fund	Total Non-major Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventory and Prepaid Items	\$ 161,450	\$ -	\$ -	\$ -	\$ 161,450
Long-term Notes Receivable	17,200	-	-	-	17,200
Restricted:					
Disability Access	95,303	-	-	-	95,303
Section 115 Pension Trust	10,638,680	-	-	-	10,638,680
Low and Moderate Income Housing	-	10,315,110	-	6,823,167	17,138,277
Public Safety	-	-	4,741	1,933,702	1,938,443
Street Maintenance	-	-	-	14,963,509	14,963,509
Air Pollution Reduction Measures	-	-	-	185,241	185,241
Downtown Parking & Business Improvement	-	-	-	193,144	193,144
Capital Improvements	-	-	-	2,168,857	2,168,857
Park Acquisition and Development	-	-	-	9,971,232	9,971,232
Storm Drain	-	-	-	4,881,702	4,881,702
Street and Traffic Safety	-	-	-	1,582,059	1,582,059
Street and Alley Repair	-	-	-	700,710	700,710
Committed to:					
Economic Uncertainty Reserve	10,300,000	-	-	-	10,300,000
Emergency Contingency	1,000,000	-	-	-	1,000,000
General Plan Update	502,000	-	-	-	502,000
Memorial Park Improvements	140,000	-	-	-	140,000
Pensions	2,214,000	-	-	-	2,214,000
OPEB	277,000	-	-	-	277,000
Legal/Labor Negotiations	450,000	-	-	-	450,000
Continuing Appropriations	254,875	-	-	-	254,875
Assigned:					
General Capital Improvements	-	-	-	1,486,901	1,486,901
Building Maintenance and Repairs	1,480,000	-	-	-	1,480,000
Infrastructure Improvements	3,011,000	-	-	-	3,011,000
Unassigned	249,245	-	-	(684,266)	(435,021)
Total Fund Balance	<u>\$ 30,790,753</u>	<u>\$ 10,315,110</u>	<u>\$ 4,741</u>	<u>\$ 44,205,958</u>	<u>\$ 85,316,562</u>

The deficit unassigned fund balance in the Non-major governmental funds of \$684,266 is made up of CDBG \$448,161, Other Grants \$46,053, and Energy Efficiency Improvements \$190,052. These deficits will be repaid when receivables are collected and from future revenues.

The Self-funded Internal Service Fund has a deficit of \$8,247,484 as a result of claims liabilities exceeding assets.

15) COMMITMENTS AND CONTINGENCIES

The City has been named as a defendant in certain other claims and litigation matters. In the opinion of City management, the outcome of such litigation is not expected to result in a material adverse effect to the financial condition of the City beyond that accrued in the City's Self-funded Insurance Fund.

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

15) COMMITMENTS AND CONTINGENCIES

The City had approximately \$12,431,521 in outstanding construction contract obligations as of June 30, 2021.

State Water Resource Control Board Loans

On November 25, 2019, the City entered into a construction financing agreement (State Revolving Fund (SRF) loan) with the California State Water Resources Control Board for the construction of a replacement 7.5 MG water reservoir (project). Pursuant to the financing agreement, the State loan will finance planning, design, and construction of the reservoir in an amount not to exceed \$16.5 million with an interest rate of 1.9% for a 30-year term. Per the financing agreement, the loan will be repaid from the pledge of net water revenues of the City's Water System and its Water Enterprise Fund. After construction is completed, the project loan schedule will be adjusted to reflect the actual project expenditures.

The project was awarded on November 23, 2020 with construction to commence in the beginning of 2021. The estimated construction period is 12 to 18 months. The City will make progress payment requests to the State for reimbursement of payments made by the City for eligible project expenses. The first reimbursement for eligible costs was received from the State on September 23, 2020.

16) IMPLEMENTATION OF GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

GASB 87 - Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB 90 - Majority Equity Interests: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 91 - Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

17) SUBSEQUENT EVENTS

On December 13, 2021, City Council approved two resolutions authorizing additional discretionary payments to CalPERS. As a result, the City remitted \$15,255,448 to reduce the City's unfunded accrued liability (UAL) pertaining to its Miscellaneous Plan with CalPERS on December 21, 2021. This payment's purpose is to eliminate the Water, Sewer and Solid Waste Funds' current share of the Miscellaneous Plan's UAL. The City authorized PARS to distribute a \$10,000,000 payment from the City's Section 115 Pension Trust held by PARS directly to CalPERS in order to reduce the City's UAL pertaining to its Safety Plan. That wire transfer took place on December 23, 2021.

18) RESTATEMENT OF FIDUCIARY NET POSITION

The restatement of net position in the Custodial Funds of \$20,147,044 is the result of the implementation of GASB 84, *Fiduciary Activities*.

City of Upland
Notes to Financial Statements
Year Ended June 30, 2021

19) DISCRETELY PRESENTED COMPONENT UNITS

West End Consolidated Water Company

Capital assets activity for the West End Consolidated Water Company for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 8,574	\$ -	\$ -	\$ 8,574
Water Rights	487,296	-	-	487,296
Total Capital Assets, Not Depreciated	495,870	-	-	495,870
Capital Assets Being Depreciated:				
Facility and Fencing Improvements	22,810	-	-	22,810
Boosters	26,374	-	-	26,374
Wells	1,280,137	-	-	1,280,137
Reservoirs	59,528	-	-	59,528
Pipelines	259,772	-	-	259,772
Pumps and Equipment	269,045	-	-	269,045
Total Capital Assets Being Depreciated	1,917,666	-	-	1,917,666
Less Accumulated Depreciation:	903,372	37,640	-	941,012
Net Capital Assets Being Depreciated	1,014,294	(37,640)	-	976,654
West End, Capital Assets, Net	<u>\$ 1,510,164</u>	<u>\$ (37,640)</u>	<u>\$ -</u>	<u>\$ 1,472,524</u>

San Antonio Water Company

Capital assets activity for the San Antonio Water Company for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land and Water Rights	\$ 920,161	\$ -	\$ -	\$ 920,161
Construction in Progress	2,212,636	966,588	2,045,985	1,133,239
Total Capital Assets, Not Depreciated	3,132,797	966,588	2,045,985	2,053,400
Capital Assets Being Depreciated:				
Tunnels and Forebay	1,587,111	-	-	1,587,111
Wells, Shafts, Building	4,879,915	11,721	4,609	4,887,027
Pipelines	15,921,611	540,618	27,101	16,435,128
Boosters	2,448,690	-	-	2,448,690
Reservoirs	1,712,022	1,369,765	-	3,081,787
All Other	4,315,659	214,437	17,843	4,512,253
Total Capital Assets Being Depreciated	30,865,008	2,136,541	49,553	32,951,996
Less Accumulated Depreciation:	13,267,225	936,732	(49,553)	14,154,404
Net Capital Assets Being Depreciated	17,597,783	1,199,809	-	18,797,592
San Antonio, Capital Assets, Net	<u>\$ 20,730,580</u>	<u>\$ 2,166,397</u>	<u>\$ 2,045,985</u>	<u>\$ 20,850,992</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property Taxes	\$ 17,828,290	\$ 17,799,790	\$ 18,371,082	\$ 571,292
Business License Taxes	985,000	1,080,000	1,119,427	39,427
Sales and Use Tax	12,836,240	14,675,080	16,876,712	2,201,632
Franchise Tax	1,230,000	1,252,000	1,284,525	32,525
Other	701,800	763,800	908,203	144,403
Licenses and Permits	1,743,700	1,915,700	2,481,187	565,487
Charges for Services	2,398,100	1,680,140	2,384,400	704,260
Fines and Penalties	588,600	435,600	542,604	107,004
Investment Income	125,000	60,000	798,468	738,468
Rental Income	705,220	759,220	802,678	43,458
Intergovernmental	69,000	66,500	107,264	40,764
Other Revenue	104,360	577,747	616,024	38,277
	<u>39,315,310</u>	<u>41,065,577</u>	<u>46,292,574</u>	<u>5,226,997</u>
EXPENDITURES				
Current:				
General Government	1,860,590	757,925	1,899,974	(1,142,049)
Public Safety	27,603,960	25,805,984	24,708,858	1,097,126
Engineering and Public Works	6,487,490	6,424,828	6,402,725	22,103
Development Services	1,967,330	1,943,503	1,773,917	169,586
Community Services	3,067,770	3,050,575	2,917,641	132,934
Debt Service:				
Principal	182,490	182,490	182,482	8
Interest and Fiscal Charges	259,040	259,040	259,030	10
	<u>41,428,670</u>	<u>38,424,345</u>	<u>38,144,627</u>	<u>279,718</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,113,360)</u>	<u>2,641,232</u>	<u>8,147,947</u>	<u>5,506,715</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(1,664,508)	(1,664,509)	(1)
Sale of Capital Assets	-	-	31,218	31,218
	<u>-</u>	<u>(1,664,508)</u>	<u>(1,633,291)</u>	<u>31,217</u>
Net Change in Fund Balances	(2,113,360)	976,724	6,514,656	5,537,932
Fund Balances, Beginning	24,276,097	24,276,097	24,276,097	-
Fund Balances, Ending	<u>\$ 22,162,737</u>	<u>\$ 25,252,821</u>	<u>\$ 30,790,753</u>	<u>\$ 5,537,932</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Housing Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 23,000	\$ 23,000	\$ (344)	\$ (23,344)
Rental Income	4,200,000	4,200,000	4,383,012	183,012
Other Revenue	209,470	209,470	76,874	(132,596)
Total Revenues	4,432,470	4,432,470	4,459,542	27,072
EXPENDITURES				
Current:				
Development Services	3,124,470	3,123,674	2,890,417	233,257
Debt Service:				
Principal	559,000	559,000	557,096	1,904
Interest & Fiscal Charges	522,920	522,920	524,816	(1,896)
Total Expenditures	4,206,390	4,205,594	3,972,329	233,265
Excess (Deficiency) of Revenues over Expenditures	226,080	226,876	487,213	260,337
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	(50,865)	(50,865)
Total Other Financing Sources (Uses)	-	-	(50,865)	(50,865)
Net Change in Fund Balance	226,080	226,876	436,348	209,472
Fund Balance, Beginning	9,878,762	9,878,762	9,878,762	-
Fund Balance, Ending	<u>\$ 10,104,842</u>	<u>\$ 10,105,638</u>	<u>\$ 10,315,110</u>	<u>\$ 209,472</u>

City of Upland
Notes to Required Supplementary Information
Year Ended June 30, 2021

BUDGETS AND BUDGETARY ACCOUNTING

The following procedures are used in establishing the budgetary data reflected in the financial statements:

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the fiscal year. Public hearings are conducted prior to the adoption by City Council. Appropriations for each fund may only be increased or decreased by the City Council. During the year, there were budgetary appropriation decreases amounting to \$3,247,275. The City Manager has authority to adjust the amounts appropriated between the departments and activities of a fund, provided, however, that the total appropriations for each fund may not exceed the amounts provided in the budget resolution. The level on which expenditures may not legally exceed appropriations is the fund level. The City Manager is also authorized to approve continuing appropriations at year-end for capital improvement projects and other expenditures previously approved by the City Council. City Council approval is required for an increase in total appropriations greater than \$20,000.

Budgets for the various funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are legally adopted for the general, special revenue, capital projects, and debt service fund types, except for the American Rescue Plan Act (ARPA) Special Revenue Fund and the Public Financing Authority Debt Service funds for which no budget is legally adopted and therefore no budget comparison schedule will be presented.

City of Upland
Required Supplementary Information
Year Ended June 30, 2021

**Schedule of Changes in the Net Pension
Liability and Related Ratios - Last 10 Years*
Agent Multiple-employer Plan - Miscellaneous**

	Measurement Period		
	2020	2019	2018
Total Pension Liability			
Service cost	\$ 1,461,755	\$ 1,581,166	\$ 1,568,587
Interest on total pension liability	9,399,565	9,162,859	8,880,290
Changes in assumptions	-	-	(600,917)
Differences between expected and actual experience	532,528	1,054,267	(675,727)
Benefit payments, including refunds	(8,056,083)	(7,756,492)	(7,358,347)
Net change in total pension liability	3,337,765	4,041,800	1,813,886
Total pension liability - beginning	134,227,077	130,185,277	128,371,391
Total pension liability - ending (a)	<u>\$ 137,564,842</u>	<u>\$ 134,227,077</u>	<u>\$ 130,185,277</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 4,697,971	\$ 3,311,285	\$ 2,999,453
Contributions - employee	670,433	754,481	655,077
Net investment income	4,621,628	5,949,555	7,384,991
Benefit payments	(8,056,083)	(7,756,492)	(7,358,347)
Net Plan to Plan Resource Movement	-	1,301	-
Administrative/Other Expense	(132,141)	(65,111)	(398,906)
Net change in plan fiduciary net position	1,801,808	2,195,019	3,282,268
Plan fiduciary net position - beginning	93,733,090	91,538,071	88,255,803
Plan fiduciary net position - ending (b)	<u>\$ 95,534,898</u>	<u>\$ 93,733,090</u>	<u>\$ 91,538,071</u>
Net pension liability - ending (a) - (b)	<u>\$ 42,029,944</u>	<u>\$ 40,493,987</u>	<u>\$ 38,647,206</u>
Plan fiduciary net position as a percentage of the total pension liability	69.45%	69.83%	70.31%
Covered payroll	\$ 8,343,351	\$ 8,524,725	\$ 8,430,545
Net pension liability as percentage of covered payroll	503.75%	475.02%	458.42%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

Measurement Period				
	2017	2016	2015	2014
\$	1,728,641	\$ 1,603,986	\$ 1,778,643	\$ 2,058,203
	8,747,118	8,670,714	8,475,794	8,374,645
	7,056,199	-	(2,015,694)	-
	(1,671,546)	(1,502,457)	(3,437,406)	-
	(7,154,726)	(6,299,318)	(5,934,069)	(5,480,303)
	8,705,686	2,472,925	(1,132,732)	4,952,545
	119,665,705	117,192,780	118,325,512	113,372,967
\$	<u>128,371,391</u>	<u>\$ 119,665,705</u>	<u>\$ 117,192,780</u>	<u>\$ 118,325,512</u>
\$	2,352,967	\$ 2,239,207	\$ 1,977,651	\$ 1,880,762
	670,114	703,361	703,031	846,655
	9,227,177	429,550	1,971,870	13,175,373
	(7,154,726)	(6,299,318)	(5,934,069)	(5,480,303)
	-	(301)	-	-
	(122,962)	(52,573)	(97,096)	-
	4,972,570	(2,980,074)	(1,378,613)	10,422,487
	83,283,233	86,263,307	87,641,920	77,219,433
\$	<u>88,255,803</u>	<u>\$ 83,283,233</u>	<u>\$ 86,263,307</u>	<u>\$ 87,641,920</u>
\$	<u>40,115,588</u>	<u>\$ 36,382,472</u>	<u>\$ 30,929,473</u>	<u>\$ 30,683,592</u>
	68.75%	69.60%	73.61%	74.07%
\$	9,034,865	\$ 9,183,479	\$ 10,003,615	\$ 11,030,619
	444.01%	396.17%	309.18%	278.17%

**City of Upland
Required Supplementary Information
Year Ended June 30, 2021**

**Schedule of Changes in the Net Pension Liability
And Related Ratios – Last 10 Years*
Agent Multiple-employer Plan – Safety Plan**

	Measurement Period				
	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 3,120,107	\$ 3,353,845	\$ 2,840,973	\$ 2,955,272	\$ 3,190,547
Interest on total pension liability	14,424,159	13,994,358	13,738,636	13,154,006	12,955,418
Changes in benefits	-	-	-	-	-
Changes in assumptions	(482,151)	11,831,388	-	(3,292,952)	-
Differences between expected and actual experience	146,880	(2,387,269)	987,863	(4,793,043)	-
Benefit payments, including refunds	(11,174,227)	(10,595,503)	(9,694,252)	(9,101,311)	(8,365,575)
Net change in total pension liability	6,034,768	16,196,819	7,873,220	(1,078,028)	7,780,390
Total pension liability - beginning	206,098,820	189,902,001	182,028,781	183,106,809	175,326,419
Total pension liability - ending (a)	<u>\$ 212,133,588</u>	<u>\$ 206,098,820</u>	<u>\$ 189,902,001</u>	<u>\$ 182,028,781</u>	<u>\$ 183,106,809</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 4,816,496	\$ 4,870,870	\$ 4,265,372	\$ 3,611,390	\$ 3,380,630
Contributions - employee	668,922	1,085,857	1,166,670	1,183,942	1,342,231
Net investment income	11,191,173	13,839,363	673,474	2,937,028	19,584,973
Benefit payments	(11,174,227)	(10,595,503)	(9,694,252)	(9,101,311)	(8,365,575)
Net Plan to Plan Resource Movement	-	-	301	-	-
Administrative/Other Expense	(606,455)	(184,789)	(78,513)	(144,969)	-
Net change in plan fiduciary net position	4,895,909	9,015,798	(3,666,948)	(1,513,920)	15,942,259
Plan fiduciary net position - beginning	134,174,733	125,158,935	128,825,883	130,339,803	114,397,544
Plan fiduciary net position - ending (b)	<u>\$ 139,070,642</u>	<u>\$ 134,174,733</u>	<u>\$ 125,158,935</u>	<u>\$ 128,825,883</u>	<u>\$ 130,339,803</u>
Net pension liability - ending (a) - (b)	<u>\$ 73,062,946</u>	<u>\$ 71,924,087</u>	<u>\$ 64,743,066</u>	<u>\$ 53,202,898</u>	<u>\$ 52,767,006</u>
Plan fiduciary net position as a percentage of the total pension liability	65.56%	65.10%	65.91%	70.77%	71.18%
Covered payroll	\$ 7,851,917	\$ 11,286,708	\$ 10,755,149	\$ 11,241,479	\$ 11,699,414
Net pension liability as percentage of covered payroll	930.51%	637.25%	601.97%	473.27%	451.02%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available. In addition, this plan was converted to a cost-sharing multiple employer plan for the financial reporting period ended June 30, 2020.

**City of Upland
Required Supplementary Information
Year Ended June 30, 2021**

**Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Years***

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2020	0.72025%	\$ 78,366,541	\$ 7,473,800	1048.55%	64.98%
2019	0.71858%	73,633,282	6,845,982	1075.57%	66.40%

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available; in addition, for the 2019 measurement period, CalPERS moved the City's Safety plan from an agent-multiple employer plan to a cost-sharing plan. Therefore, not all 10 years of information is presented.

Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability

Benefit Changes: None

Changes in Assumptions: In 2017, the accounting discount rate changed from 7.65% to 7.15%.

**City of Upland
Required Supplementary Information
Year Ended June 30, 2021**

**Schedule of Contributions – Last 10 Years*
Agent Multiple-employer Plan – Miscellaneous Plan**

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2021	\$ 4,088,720	\$ (4,088,720)	\$ -	\$ 10,008,388	40.85%
2020	3,734,440	(4,734,440)	(1,000,000)	8,343,351	44.76%
2019	3,335,368	(3,335,368)	-	8,524,725	39.13%
2018	2,999,453	(2,999,453)	-	8,430,545	35.58%
2017	2,352,967	(2,352,967)	-	9,034,865	26.04%
2016	2,239,207	(2,239,207)	-	9,183,479	24.38%
2015	1,977,651	(1,977,651)	-	10,003,615	19.77%
2014	1,880,762	(1,880,762)	-	11,030,619	17.05%

**Schedule of Contributions – Last 10 Years*
Cost-Sharing Plan – Safety Plan**

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2021	\$ 7,041,790	\$ (7,041,790)	\$ -	\$ 7,767,343	90.66%
2020	6,210,535	(6,210,535)	-	7,473,800	83.10%
2019	5,322,942	(5,322,942)	-	6,845,982	77.75%
2018	4,816,496	(4,816,496)	-	7,851,917	61.34%
2017	4,870,870	(4,870,870)	-	11,286,708	43.16%
2016	4,265,372	(4,265,372)	-	10,755,149	39.66%
2015	3,611,390	(3,611,390)	-	11,241,479	32.13%
2014	3,380,630	(3,380,630)	-	11,699,414	28.90%

**City of Upland
Required Supplementary Information
Year Ended June 30, 2021**

Notes to Schedule of Plan Contributions:

Valuation Date:	June 30, 2019
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Assets valuation method:	Direct rate smoothing
Inflation:	2.50%
Salary Increases:	Varies by entry age and service
Payroll Growth:	2.85%
Investment rate of return:	7.15% net of pension investment and administrative expenses, including inflation
Retirement Age:	All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015. Including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov .
Mortality:	The mortality table used was developed using CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016.

**City of Upland
Required Supplementary Information
Year Ended June 30, 2021**

**Schedule of Changes in the Net OPEB Liability and Related Ratios
for the Measurement Periods Ended June 30
Last 10 Years***

	Measurement Period			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 166,888	\$ 390,159	\$ 557,634	\$ 538,257
Interest on total OPEB liability	448,931	573,095	562,756	547,618
Changes in assumptions	2,001,839	784,435	(1,049,491)	-
Changes in benefits	-	-	(1,080,543)	-
Differences between expected and actual experience	-	(1,821,317)	-	-
Benefit payments, including refunds	(853,875)	(591,246)	(699,692)	(669,865)
Net change in total OPEB liability	1,763,783	(664,874)	(1,709,336)	416,010
Total OPEB liability - beginning	13,050,100	13,714,974	15,424,310	15,008,300
Total OPEB liability - ending (a)	<u>\$ 14,813,883</u>	<u>\$ 13,050,100</u>	<u>\$ 13,714,974</u>	<u>\$ 15,424,310</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 853,875	\$ 591,246	\$ 699,692	\$ 1,669,865
Net Investment Income	51,511	69,490	54,034	966
Benefit payments	(853,875)	(591,246)	(699,692)	(669,865)
Administrative Expense	(5,696)	(2,660)	(2,595)	-
Net change in plan fiduciary net position	45,815	66,830	51,439	1,000,966
Plan fiduciary net position - beginning	1,119,235	1,052,405	1,000,966	-
Plan fiduciary net position - ending (b)	<u>\$ 1,165,050</u>	<u>\$ 1,119,235</u>	<u>\$ 1,052,405</u>	<u>\$ 1,000,966</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 13,648,833</u>	<u>\$ 11,930,865</u>	<u>\$ 12,662,569</u>	<u>\$ 14,423,344</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.9%	8.6%	7.7%	6.5%

Notes to Schedule of Changes:

The discount rate from the 2017 Actuarial Valuation to the 2019 Actuarial Valuation changed from 6.25% to 5.91%.

* OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

**City of Upland
Non-Major Governmental Funds
Year Ended June 30, 2021**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Gas Tax Fund

To account for State gasoline taxes received by the City. These funds may be used for street maintenance, right-of-way acquisition, and street construction. Gas Tax funds are used for capital projects established within the Gas Tax Fund.

HOME Program Fund

This fund accounts for housing rehab loans/grants from the California Department of Housing and Community Development. These loans/grants are provided for single-family rehabilitation, neighborhood restoration, first-time homebuyers, tenant based assistance and rental rehabilitation programs.

CalHOME Program Fund

This fund accounts for housing rehab loans/grants from the CalHome program. These loans/grants are provided for single-family rehabilitation, neighborhood restoration, first-time homebuyers, tenant based assistance and rental rehabilitation programs.

Community Development Block Grant Fund

To account for receipt and disbursement of the Upland Community Development Block Grant Program of the United States Department of Housing and Urban Development.

Measure I Fund

To account for revenues which were approved by the San Bernardino County voters in a General Election authorizing a one-half percent (1/2%) sales tax on all retail transactions within the incorporated and unincorporated territory of the County of San Bernardino through 2040, proceeds of which are to be solely for county-wide transportation improvements and traffic management programs.

Air Quality Management District Fund

To account for the receipt and disbursement of funds generated by Assembly Bill 2766 which sets forth requirements for reduction of air pollution from mobile sources as promulgated by the South Coast Air Quality Management District.

Parking Business Improvement Area Fund

To account for revenues received from an additional levy of the general business license tax imposed on businesses in the downtown area to be used for the acquisition, construction and maintenance of parking facilities and improvements for the benefit of the downtown area.

SB509 Public Safety Augmentation Fund

To account for revenue and expenditures related to the half-cent sales tax enacted by Proposition 172 and SB509. Funds are used to cover operational expenditures of the Police Department.

Asset Forfeiture Fund

To account for revenue received for the City's various deposits for asset forfeiture restricted for public safety.

Public Safety Grants Fund

To account for revenue and expenditures related to grants restricted to be used for public safety.

Other Grants Fund

To account for revenue and expenditures related to grants restricted for specific purposes.

**City of Upland
Non-Major Governmental Funds
Year Ended June 30, 2021**

SPECIAL REVENUE FUNDS - Continued

CARES Act Fund

To account for revenue and expenditures related to The Coronavirus Aid, Relief, and Economic Security Act.

CAPITAL PROJECT FUNDS

Capital Projects Funds are used to account for the purchase or construction of major capital facilities which are not financed by Proprietary Funds or Trust Funds. Capital Projects Funds are ordinarily not used to account for the acquisition of furniture, fixtures, machinery, equipment and other relatively minor or short-lived capital assets.

Park Acquisition and Development Fund

To account for revenue from the Dwelling Unit Construction Tax which must be used for the acquisition and development of park facilities within the City.

General Capital Development Fund

To account revenues received for fees from various building permits to be used for certain general government, fire, and police facilities.

Storm Drain Development Fund

To account for the revenues received from the fees on various building permits to be used for the creation of a storm drain system in cooperation with other governmental entities in the area.

Street and Traffic Safety Development Fund

To account for the revenues received from fees on various building permits to be used for improved street and traffic facilities.

General Capital Fund

To account for projects of a general nature which are supported by available General Funds and Special Revenue Funds.

Street and Alley Repair Fund

To account for the revenues received from fees on various permits to be used for improved street and alley repairs.

Energy Efficiency Improvements

To account for the proceeds from leases and bonds issued that are restricted for the acquisition, construction, and installation of energy efficient improvements.

**City of Upland
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2021**

	Special Revenue			
	Gas Tax	HOME Program	CalHOME Program	Community Development Block Grant
ASSETS				
Cash and Investments	\$ 8,238,576	\$ 1,635,088	\$ 543,801	\$ -
Cash with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Notes, net	-	3,004,957	1,661,341	-
Accrued Interest on Notes	-	920,979	350,052	-
Due from Other Governments	266,254	-	-	505,674
Total Assets	\$ 8,504,830	\$ 5,561,024	\$ 2,555,194	\$ 505,674
LIABILITIES				
Accounts Payable	\$ 105,501	\$ 17,551	\$ -	\$ 156,163
Accrued Salaries and Benefits	6,015	-	-	5,674
Due to Other Funds	-	-	-	286,324
Deposits Payable	-	-	-	-
Retentions Payable	-	-	-	-
Unearned Revenue	-	-	4,469	-
Total Liabilities	111,516	17,551	4,469	448,161
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	920,979	350,052	505,674
Total Deferred Inflows of Resources	-	920,979	350,052	505,674
FUND BALANCE (DEFICITS)				
Restricted	8,393,314	4,622,494	2,200,673	-
Assigned	-	-	-	-
Unassigned	-	-	-	(448,161)
Total Fund Balances (Deficits)	8,393,314	4,622,494	2,200,673	(448,161)
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 8,504,830	\$ 5,561,024	\$ 2,555,194	\$ 505,674

Measure I	Special Revenue					
	Air Quality Management District	Parking and Business Improvement	SB 509 Public Safety Augmentation	Asset Forfeiture	Public Safety Grants	Other Grants
\$ 6,112,513	\$ 159,633	\$ 183,244	\$ -	\$ 778,449	\$ 981,736	\$ -
-	-	-	-	-	-	-
-	-	9,900	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
512,015	26,168	-	100,292	-	223,721	54,303
<u>\$ 6,624,528</u>	<u>\$ 185,801</u>	<u>\$ 193,144</u>	<u>\$ 100,292</u>	<u>\$ 778,449</u>	<u>\$ 1,205,457</u>	<u>\$ 54,303</u>
\$ 50,830	\$ 34	\$ -	\$ -	\$ -	\$ 7,416	\$ 15,150
3,503	526	-	34,732	-	3,210	3,099
-	-	-	65,278	-	-	23,509
-	-	-	-	31,020	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	4,295
54,333	560	-	100,010	31,020	10,626	46,053
-	-	-	-	-	36,275	54,303
-	-	-	-	-	36,275	54,303
6,570,195	185,241	193,144	282	747,429	1,158,556	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(46,053)
6,570,195	185,241	193,144	282	747,429	1,158,556	(46,053)
<u>\$ 6,624,528</u>	<u>\$ 185,801</u>	<u>\$ 193,144</u>	<u>\$ 100,292</u>	<u>\$ 778,449</u>	<u>\$ 1,205,457</u>	<u>\$ 54,303</u>

Continued

City of Upland
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2021

	Special Revenue	Capital Projects		
	CARES ACT	Park Acquisition & Development	General Capital Development	Storm Drain Development
ASSETS				
Cash and Investments	\$ -	\$ 10,025,052	\$ 2,170,698	\$ 4,886,148
Cash with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	-	-	317
Notes, net	-	-	-	-
Accrued Interest on Notes	-	-	-	-
Due from Other Governments	324,474	-	-	-
Total Assets	\$ 324,474	\$ 10,025,052	\$ 2,170,698	\$ 4,886,465
LIABILITIES				
Accounts Payable	\$ 14	\$ 53,820	\$ -	\$ 4,313
Accrued Salaries and Benefits	-	-	1,841	450
Due to Other Funds	295,589	-	-	-
Deposits Payable	-	-	-	-
Retentions Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	295,603	53,820	1,841	4,763
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	1,436	-	-	-
Total Deferred Inflows of Resources	1,436	-	-	-
FUND BALANCE (DEFICITS)				
Restricted	27,435	9,971,232	2,168,857	4,881,702
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	27,435	9,971,232	2,168,857	4,881,702
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 324,474	\$ 10,025,052	\$ 2,170,698	\$ 4,886,465

Capital Projects				
Street and Traffic Safety Development	General Capital Projects	Street & Alley Repair	Energy Efficiency Improvements	Total
\$ 2,046,636	\$ 1,508,841	\$ 705,797	\$ 7,570	\$ 39,983,782
-	-	-	-	-
-	-	19,611	-	29,828
-	-	-	-	4,666,298
-	-	-	-	1,271,031
-	-	-	-	2,012,901
<u>\$ 2,046,636</u>	<u>\$ 1,508,841</u>	<u>\$ 725,408</u>	<u>\$ 7,570</u>	<u>\$ 47,963,840</u>
\$ 464,439	\$ 21,586	\$ -	\$ -	\$ 896,817
138	354	2,156	-	61,698
-	-	-	-	670,700
-	-	-	-	31,020
-	-	22,542	197,622	220,164
-	-	-	-	8,764
<u>464,577</u>	<u>21,940</u>	<u>24,698</u>	<u>197,622</u>	<u>1,889,163</u>
-	-	-	-	1,868,719
-	-	-	-	1,868,719
1,582,059	1,486,901	700,710	-	44,890,224
-	-	-	-	-
-	-	-	(190,052)	(684,266)
<u>1,582,059</u>	<u>1,486,901</u>	<u>700,710</u>	<u>(190,052)</u>	<u>44,205,958</u>
<u>\$ 2,046,636</u>	<u>\$ 1,508,841</u>	<u>\$ 725,408</u>	<u>\$ 7,570</u>	<u>\$ 47,963,840</u>

City of Upland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2021

	Special Revenue			
	Gas Tax	HOME Program	CalHOME Program	Community Development Block Grant
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Investment Income	1,513	12,148	3,707	-
Rental Income	-	-	-	-
Intergovernmental	3,189,822	-	-	359,114
Other Revenue	2,326	17,620	1,737	-
Total Revenues	3,193,661	29,768	5,444	359,114
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Engineering and Public Works	3,042,782	-	-	-
Development Services	-	-	-	864,787
Community Services	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	3,042,782	-	-	864,787
Excess (Deficiency) of Revenues Over Expenditures	150,879	29,768	5,444	(505,673)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Issuance of Debt	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	150,879	29,768	5,444	(505,673)
Fund Balances - Beginning	8,242,435	4,592,726	2,195,229	57,512
Fund Balances - Ending	<u>\$ 8,393,314</u>	<u>\$ 4,622,494</u>	<u>\$ 2,200,673</u>	<u>\$ (448,161)</u>

Measure I	Special Revenue					
	Air Quality Management District	Parking and Business Improvement	SB 509 Public Safety Augmentation	Asset Forfeiture	Public Safety Grants	Other Grants
\$ -	\$ -	\$ 58,797	\$ 1,056,742	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(5,526)	1,131	1,661	1,221	5,486	9,223	-
-	-	-	-	-	-	-
1,782,332	102,914	-	-	15,487	518,025	25,194
-	855	-	-	-	-	146
<u>1,776,806</u>	<u>104,900</u>	<u>60,458</u>	<u>1,057,963</u>	<u>20,973</u>	<u>527,248</u>	<u>25,340</u>
-	-	-	-	-	-	-
-	-	-	1,057,962	1,500	530,689	-
1,641,413	141,188	108,054	-	-	-	-
-	-	-	-	-	-	34,574
-	-	-	-	-	-	45,032
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,641,413</u>	<u>141,188</u>	<u>108,054</u>	<u>1,057,962</u>	<u>1,500</u>	<u>530,689</u>	<u>79,606</u>
135,393	(36,288)	(47,596)	1	19,473	(3,441)	(54,266)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
135,393	(36,288)	(47,596)	1	19,473	(3,441)	(54,266)
6,434,802	221,529	240,740	281	727,956	1,161,997	8,213
<u>\$ 6,570,195</u>	<u>\$ 185,241</u>	<u>\$ 193,144</u>	<u>\$ 282</u>	<u>\$ 747,429</u>	<u>\$ 1,158,556</u>	<u>\$ (46,053)</u>

Continued

City of Upland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds - Continued
Year Ended June 30, 2021

	Special Revenue	Capital Projects		
	CARES ACT	Park Acquisition & Development	General Capital Development	Storm Drain Development
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	1,660,906	345,749	786,516
Fines and Forfeitures	-	-	-	-
Investment Income	2,063	(820)	(291)	(676)
Rental Income	-	-	-	73,865
Intergovernmental	2,141,164	-	-	-
Other Revenue	-	(87,822)	-	-
Total Revenues	<u>2,143,227</u>	<u>1,572,264</u>	<u>345,458</u>	<u>859,705</u>
EXPENDITURES				
Current:				
General Government	355,772	-	-	-
Public Safety	1,082,737	-	-	-
Engineering and Public Works	80,214	151,671	265,634	116,760
Development Services	119,911	-	-	-
Community Services	230,482	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>1,869,116</u>	<u>151,671</u>	<u>265,634</u>	<u>116,760</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>274,111</u>	<u>1,420,593</u>	<u>79,824</u>	<u>742,945</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Issuance of Debt	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	274,111	1,420,593	79,824	742,945
Fund Balances - Beginning	<u>(246,676)</u>	<u>8,550,639</u>	<u>2,089,033</u>	<u>4,138,757</u>
Fund Balances - Ending	<u>\$ 27,435</u>	<u>\$ 9,971,232</u>	<u>\$ 2,168,857</u>	<u>\$ 4,881,702</u>

Capital Projects				
Street and Traffic Safety Development	General Capital Projects	Street & Alley Repair	Energy Efficiency Improvements	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,115,539
464,484	-	216,348	-	3,474,003
-	-	-	-	-
(3,818)	-	(623)	42	26,441
-	-	-	-	73,865
-	-	-	-	8,134,052
-	-	-	-	(65,138)
<u>460,666</u>	<u>-</u>	<u>215,725</u>	<u>42</u>	<u>12,758,762</u>
-	-	-	-	355,772
-	-	-	-	2,672,888
1,541,251	515,207	511,498	226,259	8,341,931
-	-	-	-	1,019,272
-	-	-	-	275,514
-	-	-	-	-
-	-	-	-	-
<u>1,541,251</u>	<u>515,207</u>	<u>511,498</u>	<u>226,259</u>	<u>12,665,377</u>
<u>(1,080,585)</u>	<u>(515,207)</u>	<u>(295,773)</u>	<u>(226,217)</u>	<u>93,385</u>
-	593,000	-	-	593,000
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>593,000</u>	<u>-</u>	<u>-</u>	<u>593,000</u>
(1,080,585)	77,793	(295,773)	(226,217)	686,385
<u>2,662,644</u>	<u>1,409,108</u>	<u>996,483</u>	<u>36,165</u>	<u>43,519,573</u>
<u>\$ 1,582,059</u>	<u>\$ 1,486,901</u>	<u>\$ 700,710</u>	<u>\$ (190,052)</u>	<u>\$ 44,205,958</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Gas Tax Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	45,000	1,513	(43,487)
Intergovernmental	3,100,140	3,189,822	89,682
Other Revenue	-	-	-
Total Revenues	<u>3,145,140</u>	<u>3,191,335</u>	<u>46,195</u>
EXPENDITURES			
Current:			
Engineering and Public Works	<u>10,226,281</u>	<u>3,042,782</u>	<u>7,183,499</u>
Total Expenditures	<u>10,226,281</u>	<u>3,042,782</u>	<u>7,183,499</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,081,141)</u>	<u>148,553</u>	<u>7,229,694</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,081,141)	148,553	7,229,694
Fund Balance, Beginning	<u>8,242,435</u>	<u>8,242,435</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,161,294</u>	<u>\$ 8,390,988</u>	<u>\$ 7,229,694</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - HOME Program Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	1,210	12,148	10,938
Intergovernmental	-	-	-
Other Revenue	190,000	17,620	(172,380)
Total Revenues	<u>191,210</u>	<u>29,768</u>	<u>(161,442)</u>
EXPENDITURES			
Current:			
Development Services	420,000	-	420,000
Total Expenditures	<u>420,000</u>	<u>-</u>	<u>420,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(228,790)</u>	<u>29,768</u>	<u>258,558</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(228,790)	29,768	258,558
Fund Balance, Beginning	<u>4,592,726</u>	<u>4,592,726</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 4,363,936</u>	<u>\$ 4,622,494</u>	<u>\$ 258,558</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - CalHOME Program Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	200	3,707	3,507
Intergovernmental	-	-	-
Other Revenue	7,000	1,737	(5,263)
Total Revenues	<u>7,200</u>	<u>5,444</u>	<u>(1,756)</u>
EXPENDITURES			
Current:			
Development Services	<u>210,000</u>	<u>-</u>	<u>210,000</u>
Total Expenditures	<u>210,000</u>	<u>-</u>	<u>210,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(202,800)</u>	<u>5,444</u>	<u>208,244</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(202,800)	5,444	208,244
Fund Balance, Beginning	<u>2,195,229</u>	<u>2,195,229</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,992,429</u>	<u>\$ 2,200,673</u>	<u>\$ 208,244</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - CDBG Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,220,059	\$ 359,114	\$ (860,945)
Other Revenue	-	-	-
Total Revenues	<u>1,220,059</u>	<u>359,114</u>	<u>(860,945)</u>
EXPENDITURES			
Current:			
Development Services	<u>2,178,433</u>	<u>864,787</u>	<u>1,313,646</u>
Total Expenditures	<u>2,178,433</u>	<u>864,787</u>	<u>1,313,646</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(958,374)</u>	<u>(505,673)</u>	<u>452,701</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(958,374)	(505,673)	452,701
Fund Balance, Beginning	<u>57,512</u>	<u>57,512</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (900,862)</u>	<u>\$ (448,161)</u>	<u>\$ 452,701</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure I Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	15,000	(5,526)	(20,526)
Intergovernmental	1,364,270	1,782,332	418,062
Other Revenue	-	-	-
Total Revenues	<u>1,379,270</u>	<u>1,776,806</u>	<u>397,536</u>
EXPENDITURES			
Current:			
Engineering and Public Works	<u>6,367,621</u>	<u>1,641,413</u>	<u>4,726,208</u>
Total Expenditures	<u>6,367,621</u>	<u>1,641,413</u>	<u>4,726,208</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,988,351)</u>	<u>135,393</u>	<u>5,123,744</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,988,351)	135,393	5,123,744
Fund Balance, Beginning	<u>6,434,802</u>	<u>6,434,802</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,446,451</u>	<u>\$ 6,570,195</u>	<u>\$ 5,123,744</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Air Quality Management District Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income		1,131	1,131
Intergovernmental	100,000	102,914	2,914
Other Revenue	-	855	855
	<u>100,000</u>	<u>104,900</u>	<u>4,900</u>
Total Revenues			
EXPENDITURES			
Current:			
Engineering and Public Works	<u>201,030</u>	<u>141,188</u>	<u>59,842</u>
	<u>201,030</u>	<u>141,188</u>	<u>59,842</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>(101,030)</u>	<u>(36,288)</u>	<u>64,742</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(101,030)	(36,288)	64,742
Fund Balance, Beginning	<u>221,529</u>	<u>221,529</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 120,499</u>	<u>\$ 185,241</u>	<u>\$ 64,742</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Parking & Business Improvement Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 58,500	\$ 58,797	\$ 297
Investment Income	2,500	1,661	(839)
Total Revenues	<u>61,000</u>	<u>60,458</u>	<u>(542)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	<u>312,720</u>	<u>108,054</u>	<u>204,666</u>
Total Expenditures	<u>312,720</u>	<u>108,054</u>	<u>204,666</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(251,720)</u>	<u>(47,596)</u>	<u>204,124</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(251,720)	(47,596)	204,124
Fund Balance, Beginning	<u>240,740</u>	<u>240,740</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (10,980)</u>	<u>\$ 193,144</u>	<u>\$ 204,124</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - SB 509 Public Safety Augmentation Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ 900,000	\$ 1,056,742	\$ 156,742
Investment Income		1,221	1,221
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>900,000</u>	<u>1,057,963</u>	<u>157,963</u>
EXPENDITURES			
Current:			
Public Safety	<u>900,000</u>	<u>1,057,962</u>	<u>(157,962)</u>
Total Expenditures	<u>900,000</u>	<u>1,057,962</u>	<u>(157,962)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>1</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	1	1
Fund Balance, Beginning	<u>281</u>	<u>281</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 281</u>	<u>\$ 282</u>	<u>\$ 1</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Asset Forfeiture Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 5,486	\$ 5,486
Fines and Forfeitures	-	-	-
Intergovernmental	-	15,487	15,487
Total Revenues	<u>-</u>	<u>20,973</u>	<u>20,973</u>
EXPENDITURES			
Current:			
Public Safety		1,500	(1,500)
Total Expenditures	<u>-</u>	<u>1,500</u>	<u>(1,500)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>19,473</u>	<u>19,473</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	19,473	19,473
Fund Balance, Beginning	<u>727,956</u>	<u>727,956</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 727,956</u>	<u>\$ 747,429</u>	<u>\$ 19,473</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Public Safety Grants Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income		9,223	9,223
Intergovernmental	921,782	518,025	(403,757)
Other Revenue	-	-	-
	<u>921,782</u>	<u>527,248</u>	<u>(394,534)</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Safety	<u>1,873,052</u>	<u>530,689</u>	<u>1,342,363</u>
	<u>1,873,052</u>	<u>530,689</u>	<u>1,342,363</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>(951,270)</u>	<u>(3,441)</u>	<u>947,829</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(951,270)	(3,441)	947,829
Fund Balance, Beginning	<u>1,161,997</u>	<u>1,161,997</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 210,727</u>	<u>\$ 1,158,556</u>	<u>\$ 947,829</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Other Grants Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	-	-	-
Intergovernmental	390,870	25,194	(365,676)
Other Revenue	-	146	146
	<u>390,870</u>	<u>25,340</u>	<u>(365,530)</u>
Total Revenues	<u>390,870</u>	<u>25,340</u>	<u>(365,530)</u>
EXPENDITURES			
Current:			
Development Services	310,000	34,574	275,426
Community Services	92,400	45,032	47,368
	<u>402,400</u>	<u>79,606</u>	<u>322,794</u>
Total Expenditures	<u>402,400</u>	<u>79,606</u>	<u>322,794</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(11,530)</u>	<u>(54,266)</u>	<u>(42,736)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(11,530)	(54,266)	(42,736)
Fund Balance, Beginning	<u>8,213</u>	<u>8,213</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (3,317)</u>	<u>\$ (46,053)</u>	<u>\$ (42,736)</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - CARES Act Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 2,063	\$ 2,063
Intergovernmental	2,525,599	2,141,164	(384,435)
Total Revenues	<u>2,525,599</u>	<u>2,143,227</u>	<u>(382,372)</u>
EXPENDITURES			
Current:			
General Government	2,054,447	355,772	1,698,675
Public Safety	1,169,979	1,082,737	87,242
Engineering and Public Works	61,807	80,214	(18,407)
Development Services	-	119,911	(119,911)
Community Services	285,239	230,482	54,757
Total Expenditures	<u>3,571,472</u>	<u>1,869,116</u>	<u>1,702,356</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,045,873)</u>	<u>274,111</u>	<u>1,319,984</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,045,873)	274,111	1,319,984
Fund Balance, Beginning	<u>(246,676)</u>	<u>(246,676)</u>	
Fund Balance, Ending	<u>\$ (1,292,549)</u>	<u>\$ 27,435</u>	<u>\$ 1,319,984</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Park Acquisition & Development Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 2,200,000	\$ 1,660,906	\$ (539,094)
Investment Income	85,000	(820)	(85,820)
Intergovernmental	-	-	-
Other Revenue	-	(87,822)	(87,822)
Total Revenues	<u>2,285,000</u>	<u>1,572,264</u>	<u>(712,736)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	504,427	151,671	352,756
Community Services	-	-	-
Total Expenditures	<u>504,427</u>	<u>151,671</u>	<u>352,756</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,780,573</u>	<u>1,420,593</u>	<u>(359,980)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,780,573	1,420,593	(359,980)
Fund Balance, Beginning	<u>8,550,639</u>	<u>8,550,639</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 10,331,212</u>	<u>\$ 9,971,232</u>	<u>\$ (359,980)</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Capital Development Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 595,000	\$ 345,749	\$ (249,251)
Investment Income	14,000	(291)	(14,291)
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>609,000</u>	<u>345,458</u>	<u>(263,542)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	546,050	265,634	280,416
Community Services	-	-	-
Total Expenditures	<u>546,050</u>	<u>265,634</u>	<u>280,416</u>
Excess (Deficiency) of Revenues over Expenditures	<u>62,950</u>	<u>79,824</u>	<u>16,874</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	62,950	79,824	16,874
Fund Balance, Beginning	<u>2,089,033</u>	<u>2,089,033</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,151,983</u>	<u>\$ 2,168,857</u>	<u>\$ 16,874</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Storm Drain Development Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 1,150,000	\$ 786,516	\$ (363,484)
Investment Income	35,000	(676)	(35,676)
Rental Income	73,550	73,865	315
	<u>1,258,550</u>	<u>859,705</u>	<u>(398,845)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	1,217,647	116,760	1,100,887
Community Services	-	-	-
	<u>1,217,647</u>	<u>116,760</u>	<u>1,100,887</u>
Excess (Deficiency) of Revenues over Expenditures	<u>40,903</u>	<u>742,945</u>	<u>702,042</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	40,903	742,945	702,042
Fund Balance, Beginning	<u>4,138,757</u>	<u>4,138,757</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 4,179,660</u>	<u>\$ 4,881,702</u>	<u>\$ 702,042</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Street & Traffic Safety Development Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 570,000	\$ 464,484	\$ (105,516)
Investment Income	25,000	(3,818)	(28,818)
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<u>595,000</u>	<u>460,666</u>	<u>(134,334)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	3,034,800	1,541,251	1,493,549
Community Services	-	-	-
	<u>3,034,800</u>	<u>1,541,251</u>	<u>1,493,549</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,439,800)</u>	<u>(1,080,585)</u>	<u>1,359,215</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,439,800)	(1,080,585)	1,359,215
Fund Balance, Beginning	<u>2,662,644</u>	<u>2,662,644</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 222,844</u>	<u>\$ 1,582,059</u>	<u>\$ 1,359,215</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ -	\$ -	\$ -
Investment Income	-	-	-
Intergovernmental	-	-	-
Other Revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Engineering and Public Works	1,842,759	515,207	1,327,552
Community Services	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,842,759	515,207	1,327,552
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues over Expenditures	(1,842,759)	(515,207)	1,327,552
OTHER FINANCING SOURCES (USES)			
Transfers In	593,000	593,000	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	593,000	593,000	-
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(1,249,759)	77,793	1,327,552
	<hr/>	<hr/>	<hr/>
Fund Balance, Beginning	1,409,108	1,409,108	-
	<hr/>	<hr/>	<hr/>
Fund Balance, Ending	\$ 159,349	\$ 1,486,901	\$ 1,327,552
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Street & Alley Repair Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 216,330	\$ 216,348	\$ 18
Investment Income	-	(623)	(623)
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>216,330</u>	<u>215,725</u>	<u>(605)</u>
EXPENDITURES			
Current:			
Engineering and Public Works	940,124	511,498	428,626
Community Services	-	-	-
Total Expenditures	<u>940,124</u>	<u>511,498</u>	<u>428,626</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(723,794)</u>	<u>(295,773)</u>	<u>428,021</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(723,794)	(295,773)	428,021
Fund Balance, Beginning	<u>996,483</u>	<u>996,483</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 272,689</u>	<u>\$ 700,710</u>	<u>\$ 428,021</u>

City of Upland
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Energy Efficiency Improvements Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Licenses and Permits	\$ -	\$ -	\$ -
Investment Income	-	42	42
Intergovernmental	-	-	-
Other Revenue	-	-	-
Total Revenues	<u>-</u>	<u>42</u>	<u>42</u>
EXPENDITURES			
Current:			
Engineering and Public Works	22,938	226,259	(203,321)
Community Services	-	-	-
Total Expenditures	<u>22,938</u>	<u>226,259</u>	<u>(203,321)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(22,938)</u>	<u>(226,217)</u>	<u>(203,279)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Issuance of Debt	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(22,938)	(226,217)	(203,279)
Fund Balance, Beginning	<u>36,165</u>	<u>36,165</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 13,227</u>	<u>\$ (190,052)</u>	<u>\$ (203,279)</u>

INTERNAL SERVICE FUNDS

**City of Upland
Internal Service Funds
Year Ended June 30, 2021**

INTERNAL SERVICE FUNDS

The internal service funds are used to account for goods and services provided by one City department to other City departments on a cost reimbursement basis.

Self-funded Insurance Fund

To account for the accumulation and allocation of costs associated with the City's Workers' Compensation and General Liability Self-Insurance Program.

Vehicle Replacement Fund

To account for the accumulation and allocation of costs associated with the acquisition, repair, and maintenance of City vehicles.

Information Systems Fund

To account for the operations of the City's information systems division, including maintenance of copiers, voice systems, and the City's computer network and hardware infrastructure.

Building Maintenance Fund

To provide for the operation of the City's building maintenance and operations division which maintains the City's facilities.

City of Upland
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
ASSETS					
Current Assets:					
Cash and Investments	\$ 2,052,585	\$ 473,441	\$ 2,271,541	\$ 1,356,681	\$ 6,154,248
Accounts Receivable - Net	-	-	35,829	-	35,829
Inventory and Prepaid Items	173,676	78,990	11,518	-	264,184
Total Current Assets	<u>2,226,261</u>	<u>552,431</u>	<u>2,318,888</u>	<u>1,356,681</u>	<u>6,454,261</u>
Noncurrent Assets:					
Capital Assets, Not Being Depreciated					
Construction In Progress	-	-	52,388	-	52,388
Capital Assets, Depreciable, Net	-	578,380	563,044	-	1,141,424
Total Noncurrent Assets	<u>-</u>	<u>578,380</u>	<u>615,432</u>	<u>-</u>	<u>1,193,812</u>
Total Assets	<u>2,226,261</u>	<u>1,130,811</u>	<u>2,934,320</u>	<u>1,356,681</u>	<u>7,648,073</u>
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related Items	14,171	36,529	39,049	58,888	148,637
Pension Related Items	82,412	85,908	118,373	104,388	391,081
Total Deferred Outflows of Resources	<u>96,583</u>	<u>122,437</u>	<u>157,422</u>	<u>163,276</u>	<u>539,718</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	35,679	41,236	62,277	126,118	265,310
Accrued Salaries and Wages	14,485	9,231	20,234	22,503	66,453
Current Portion of Long-Term Liabilities:					
Claims and Judgments Payable	2,949,359	-	-	-	2,949,359
Compensated Absences	10,773	7,475	20,644	20,984	59,876
Total Current Liabilities	<u>3,010,296</u>	<u>57,942</u>	<u>103,155</u>	<u>169,605</u>	<u>3,340,998</u>
Noncurrent Liabilities:					
Claims and Judgments Payable	6,798,090	-	-	-	6,798,090
Net OPEB Liability	61,420	158,326	169,246	255,233	644,225
Net Pension Liability	693,494	722,915	996,110	878,426	3,290,945
Compensated Absences	1,818	4,658	18,880	21,772	47,128
Total Noncurrent Liabilities	<u>7,554,822</u>	<u>885,899</u>	<u>1,184,236</u>	<u>1,155,431</u>	<u>10,780,388</u>
Total Liabilities	<u>10,565,118</u>	<u>943,841</u>	<u>1,287,391</u>	<u>1,325,036</u>	<u>14,121,386</u>
DEFERRED INFLOWS OF RESOURCES					
OPEB Related Items	5,210	13,431	14,357	21,651	54,649
Pension Related Items	-	-	-	-	-
Total Deferred Inflows of Resources	<u>5,210</u>	<u>13,431</u>	<u>14,357</u>	<u>21,651</u>	<u>54,649</u>
NET POSITION					
Net Investment in Capital Assets	-	578,380	615,432	-	1,193,812
Unrestricted	(8,247,484)	(282,404)	1,174,562	173,270	(7,182,056)
Total Net Position	<u>\$ (8,247,484)</u>	<u>\$ 295,976</u>	<u>\$ 1,789,994</u>	<u>\$ 173,270</u>	<u>\$ (5,988,244)</u>

City of Upland
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2021

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
OPERATING REVENUES					
Charges for Services	\$ 4,683,130	\$ 655,990	\$ 1,835,380	\$ 929,710	\$ 8,104,210
Other Operating Revenues	3,269	-	145,482	300	149,051
Total Operating Revenues	<u>4,686,399</u>	<u>655,990</u>	<u>1,980,862</u>	<u>930,010</u>	<u>8,253,261</u>
OPERATING EXPENSES					
Maintenance and Operations	495,296	724,095	1,899,255	893,398	4,012,044
Contractual Services	283,919	-	-	-	283,919
Claims Expense	2,572,231	-	-	-	2,572,231
Depreciation	-	44,656	205,570	-	250,226
Total Operating Expenses	<u>3,351,446</u>	<u>768,751</u>	<u>2,104,825</u>	<u>893,398</u>	<u>7,118,420</u>
Operating Income (Loss)	<u>1,334,953</u>	<u>(112,761)</u>	<u>(123,963)</u>	<u>36,612</u>	<u>1,134,841</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income	7,032	5,573	15,522	9,920	38,047
Gain/(Loss) on Disposal of Capital Assets	-	66,650	-	-	66,650
Total Nonoperating Revenues (Expenses)	<u>7,032</u>	<u>72,223</u>	<u>15,522</u>	<u>9,920</u>	<u>104,697</u>
Income (Loss) Before Operating Transfers	1,341,985	(40,538)	(108,441)	46,532	1,239,538
Capital Contributions	-	-	-	-	-
Transfers In	700,000	349,274	266,100	-	1,315,374
Transfers Out	-	-	-	(193,000)	(193,000)
Change in Net Position	2,041,985	308,736	157,659	(146,468)	2,361,912
Net Position - Beginning of Year	<u>(10,289,469)</u>	<u>(12,760)</u>	<u>1,632,335</u>	<u>319,738</u>	<u>(8,350,156)</u>
Net Position - End of Year	<u>\$ (8,247,484)</u>	<u>\$ 295,976</u>	<u>\$ 1,789,994</u>	<u>\$ 173,270</u>	<u>\$ (5,988,244)</u>

City of Upland
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021

	Self-funded Insurance	Vehicle Replacement	Information Systems	Building Maintenance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from User Departments	\$ 4,686,459	\$ 655,990	\$ 1,981,439	\$ 930,010	\$ 8,253,898
Cash Paid to Suppliers for Goods and Services	(3,866,193)	(435,117)	(1,456,896)	(343,285)	(6,101,491)
Cash Paid to Employees for Services	(123,103)	(330,333)	(368,131)	(563,845)	(1,385,412)
Net Cash from Operating Activities	<u>697,163</u>	<u>(109,460)</u>	<u>156,412</u>	<u>22,880</u>	<u>766,995</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Cash Paid (to) from Other Funds	700,000	349,274	266,100	(193,000)	1,122,374
Advances Paid (to) from Other Funds	-	-	-	-	-
Net Cash from Noncapital and Related Financing Activities	<u>700,000</u>	<u>349,274</u>	<u>266,100</u>	<u>(193,000)</u>	<u>1,122,374</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash Received from Sale of Capital Assets	-	66,650	-	-	66,650
Acquisition and Construction of Capital Assets	-	(444,410)	(116,253)	-	(560,663)
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>(377,760)</u>	<u>(116,253)</u>	<u>-</u>	<u>(494,013)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	7,032	5,573	15,522	9,920	38,047
Net Cash from Investing Activities	<u>7,032</u>	<u>5,573</u>	<u>15,522</u>	<u>9,920</u>	<u>38,047</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,404,195	(132,373)	321,781	(160,200)	1,433,403
Cash and Cash Equivalents, Beginning of the Year	<u>648,390</u>	<u>605,814</u>	<u>1,949,760</u>	<u>1,516,881</u>	<u>4,720,845</u>
Cash and Cash Equivalents, End of the Year	<u>\$ 2,052,585</u>	<u>\$ 473,441</u>	<u>\$ 2,271,541</u>	<u>\$ 1,356,681</u>	<u>\$ 6,154,248</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:					
Operating Income (Loss)	\$ 1,334,953	\$ (112,761)	\$ (123,963)	\$ 36,612	\$ 1,134,841
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	44,656	205,570	-	250,226
Changes in Operating Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	60	-	577	-	637
(Increase) Decrease in Due from Other Governments	-	-	-	-	-
(Increase) Decrease in Inventory and Prepaid Items	(54,418)	(3,044)	(11,518)	-	(68,980)
(Increase) Decrease in Deferred Outflows - Pensions	(22,430)	10,905	6,326	17,680	12,481
(Increase) Decrease in Deferred Outflows - OPEB	(1,535)	(16,221)	(19,945)	(30,457)	(68,158)
Increase (Decrease) in Accounts Payable	11,070	12,258	43,621	46,843	113,792
Increase (Decrease) in Accrued Salaries and Benefits	1,200	(1,955)	5,629	(1,312)	3,562
Increase (Decrease) in Compensated Absences	6,123	(1,433)	13,778	4,261	22,729
Increase (Decrease) in Net Pension Liability	231,863	(22,174)	36,403	(61,034)	185,058
Increase (Decrease) in Net OPEB Liability	(38,799)	(2,741)	17,724	29,740	5,924
Increase (Decrease) in Deferred Inflows - Pensions	(6,364)	(10,272)	(13,230)	(12,951)	(42,817)
Increase (Decrease) in Deferred Inflows - OPEB	(7,302)	(6,678)	(4,560)	(6,502)	(25,042)
Increase (Decrease) in Claims Payable	(757,258)	-	-	-	(757,258)
Net Cash from Operating Activities	<u>\$ 697,163</u>	<u>\$ (109,460)</u>	<u>\$ 156,412</u>	<u>\$ 22,880</u>	<u>\$ 766,995</u>

CUSTODIAL FUNDS

**City of Upland
Custodial Funds
Year Ended June 30, 2021**

CUSTODIAL FUNDS

Custodial Funds are used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Community Facilities District 2003-2 Area 1 Fund

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvements in the Colonies development.

Community Facilities District 2003-2 Area 2 Fund

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvements in the Colonies development.

Community Facilities District 2015-1 Fund

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvements in the Sycamore Hills development.

Community Facilities District 2016-1 Fund

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvements in the Harvest at Upland development.

Community Facilities District 2016-2 Maintenance Fund

To account for revenues received from property holders for the payment of maintenance services including median landscaping, channel landscaping, storm drain clean outs, and asphalt slurry every 5 years within the Harvest at Upland development.

Community Facilities District 2017-1 Maintenance Fund

To account for revenues received from property holders for the payment of maintenance services including median landscaping, channel landscaping, storm drain clean outs, and asphalt slurry every 5 years within the Sycamore Hills development.

Community Facilities District 2016-1 Area 2 Fund

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvements in the Harvest at Upland development.

Assessment District 84-1 Fund

To account for the district formed to provide street sweeping, landscape irrigation, and street light services.

Sanitary Sewer Facility Development Fund

To account for revenue collected to expand both the City's and the region's sanitary sewage facilities to accommodate current and future growth.

Welfare Committee Fund

To account for employee contributions to provide future financial assistance to employees in the event of a personal financial emergency.

West End Consolidated Water Company (Water Company)

To account for the Water Company's financial transactions and balances.

**City of Upland
Custodial Funds
Year Ended June 30, 2021**

CUSTODIAL FUNDS - Continued

Community Facilities District 2003-1

To account for revenues received from property holders for the payment of debt issued to finance the acquisition of certain public rights of way and construction of certain public improvement in the Upland 54 development.

City of Upland
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Community Facilities District 2003-2 Area 1	Community Facilities District 2003-2 Area 2	Community Facilities District 2015-1	Community Facilities District 2016-1	Community Facilities District 2016-2	Community Facilities District 2017-1
ASSETS						
Cash and Investments	\$ 13,467	\$ 14,013	\$ 8,348	\$ 4,403	\$ 114,830	\$ 37,480
Cash with Fiscal Agent	3,437,323	2,633,191	4,865,552	886,482	-	-
Accounts Receivable	10,812	-	2,248	6,335	1,639	15
Total Assets	3,461,602	2,647,204	4,876,148	897,220	116,469	37,495
LIABILITIES						
Deposits Payable	-	-	46,329	150,500	15,784	-
Accounts Payable	-	209	-	-	1,702	2,750
Total Liabilities	-	209	46,329	150,500	17,486	2,750
NET POSITION						
Restricted for:						
Organizations and Individuals	3,461,602	2,646,995	4,829,819	746,720	98,983	34,745
Other Governments	-	-	-	-	-	-
Total Net Position	\$ 3,461,602	\$ 2,646,995	\$ 4,829,819	\$ 746,720	\$ 98,983	\$ 34,745

Community Facilities District 2016-1 Area 2	Assessment District 84-1	Sanitary Sewer Facility Development	Welfare Committee	West End Consolidated Water Co.	Community Facilities District 2003-1	Total
\$ 6,093	\$ -	\$ 5,748,458	\$ 35,077	\$ 496,941	\$ 4,362	\$ 6,483,472
8,647,197	-	-	-	-	279,817	20,749,562
215	13	-	-	-	1,263	22,540
<u>8,653,505</u>	<u>13</u>	<u>5,748,458</u>	<u>35,077</u>	<u>496,941</u>	<u>285,442</u>	<u>27,255,574</u>
164,308	-	-	-	-	-	376,921
-	832	1,068,078	-	-	-	1,073,571
<u>164,308</u>	<u>832</u>	<u>1,068,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,450,492</u>
8,489,197	(819)	-	35,077	496,941	285,442	21,124,702
-	-	4,680,380	-	-	-	4,680,380
<u>\$ 8,489,197</u>	<u>\$ (819)</u>	<u>\$ 4,680,380</u>	<u>\$ 35,077</u>	<u>\$ 496,941</u>	<u>\$ 285,442</u>	<u>\$ 25,805,082</u>

City of Upland
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Community Facilities District 2003-2 Area 1	Community Facilities District 2003-2 Area 2	Community Facilities District 2015-1	Community Facilities District 2016-1	Community Facilities District 2016-2	Community Facilities District 2017-1
ADDITIONS						
Contributions:						
Taxes and assessments collected for others	\$ 1,497,162	\$ 1,279,338	\$ 521,781	\$ 531,844	\$ 74,227	\$ 17,042
Contributions from Bondholders	-	-	-	-	-	-
Investment Earnings:						
Interest Income	-	-	-	-	-	-
Total Additions	1,497,162	1,279,338	521,781	531,844	74,227	17,042
DEDUCTIONS						
General and Administrative	17,279	18,413	898,643	32,932	10,061	10,937
Recipient Payments	-	-	-	-	-	-
Distribution to Shareholders	1,517,900	1,312,068	379,869	508,116	-	-
Total Deductions	1,535,179	1,330,481	1,278,512	541,048	10,061	10,937
Net Increase (decrease) in fiduciary net position	(38,017)	(51,143)	(756,731)	(9,204)	64,166	6,105
Net Position, beginning of the year (restated)	3,499,619	2,698,138	5,586,550	755,924	34,817	28,640
Net Position, end of the year	<u>\$ 3,461,602</u>	<u>\$ 2,646,995</u>	<u>\$ 4,829,819</u>	<u>\$ 746,720</u>	<u>\$ 98,983</u>	<u>\$ 34,745</u>

Community Facilities District 2016-1 Area 2	Assessment District 84-1	Sanitary Sewer Facility Development	Welfare Committee	West End Consolidated Water Co.	Community Facilities District 2003-1	Total
\$ 9,019	\$ 3,645	\$ 1,532,066	\$ 1,106	\$ -	\$ 121,626	\$ 5,588,856
8,499,405	-	-	-	-	-	8,499,405
-	-	-	-	3,695	-	3,695
8,508,424	3,645	1,532,066	1,106	3,695	121,626	14,091,956
19,227	3,789	1,068,078	-	-	8,466	2,087,825
-	-	2,505,240	-	-	-	2,505,240
-	-	-	-	-	122,900	3,840,853
19,227	3,789	3,573,318	-	-	131,366	8,433,918
8,489,197	(144)	(2,041,252)	1,106	3,695	(9,740)	5,658,038
-	(675)	6,721,632	33,971	493,246	295,182	20,147,044
<u>\$ 8,489,197</u>	<u>\$ (819)</u>	<u>\$ 4,680,380</u>	<u>\$ 35,077</u>	<u>\$ 496,941</u>	<u>\$ 285,442</u>	<u>\$ 25,805,082</u>

STATISTICAL SECTION

City of Upland
Description of Statistical Section Contents
June 30, 2021

This part of the City of Upland's Annual Comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time	111
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	121
<u>Debt Capacity</u> these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	129
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place	136
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs	138

CITY OF UPLAND

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Governmental activities					
Invested in capital assets, net of related debt	\$ 279,503,381	\$ 281,184,806	\$ 272,320,453	\$ 274,795,930	\$ 269,132,382
Restricted	15,971,514	22,177,079	18,336,004	14,482,775	25,659,378
Unrestricted	(12,516,353)	(19,386,237)	(253,534)	(62,716,819)	(64,259,153)
Total governmental activities net position	<u>\$ 282,958,542</u>	<u>\$ 283,975,648</u>	<u>\$ 290,402,923</u>	<u>\$ 226,561,886</u>	<u>\$ 230,532,607</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 75,066,229	\$ 76,050,669	\$ 75,114,852	\$ 68,450,050	\$ 67,891,850
Restricted	-	-	-	-	-
Unrestricted	38,813,010	37,241,528	36,705,400	27,528,096	34,916,716
Total business-type activities net position	<u>\$ 113,879,239</u>	<u>\$ 113,292,197</u>	<u>\$ 111,820,252</u>	<u>\$ 95,978,146</u>	<u>\$ 102,808,566</u>
Primary government					
Invested in capital assets, net of related debt	\$ 354,569,610	\$ 357,235,475	\$ 347,435,305	\$ 343,245,980	\$ 337,024,232
Restricted	15,971,514	22,177,079	18,336,004	14,482,775	25,659,378
Unrestricted	26,296,657	17,855,291	36,451,866	(35,188,723)	(29,342,437)
Total primary government net position	<u>\$ 396,837,781</u>	<u>\$ 397,267,845</u>	<u>\$ 402,223,175</u>	<u>\$ 322,540,032</u>	<u>\$ 333,341,173</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,

2017	2018	2019	2020	2021
\$ 267,791,299	\$ 262,318,491	\$ 262,465,719	\$ 266,996,077	\$ 267,040,558
40,844,504	42,616,153	44,877,724	52,227,409	43,407,782
(74,170,029)	(83,164,838)	(80,859,640)	(74,070,557)	(59,600,057)
<u>\$ 234,465,774</u>	<u>\$ 221,769,806</u>	<u>\$ 226,483,803</u>	<u>\$ 245,152,929</u>	<u>\$ 250,848,283</u>
\$ 68,761,226	\$ 69,511,985	\$ 70,481,398	\$ 80,694,523	\$ 11,916,179
-	-	-	-	-
39,989,572	48,033,153	54,825,737	62,335,721	141,256,446
<u>\$ 108,750,798</u>	<u>\$ 117,545,138</u>	<u>\$ 125,307,135</u>	<u>\$ 143,030,244</u>	<u>\$ 153,172,625</u>
\$ 336,552,525	\$ 331,830,476	\$ 332,947,117	\$ 347,690,600	\$ 278,956,737
40,844,504	42,616,153	44,877,724	52,227,409	43,407,782
(34,180,457)	(35,131,685)	(26,033,903)	(11,734,836)	81,656,389
<u>\$ 343,216,572</u>	<u>\$ 339,314,944</u>	<u>\$ 351,790,938</u>	<u>\$ 388,183,173</u>	<u>\$ 404,020,908</u>

CITY OF UPLAND

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Expenses					
Governmental activities:					
General government	\$ 5,137,446	\$ 4,113,605	\$ 4,709,996	\$ 3,050,233	\$ 5,626,905
Public safety	30,710,194	29,009,795	24,047,934	27,468,131	27,178,673
Engineering and public works	12,074,768	7,868,067	9,879,986	9,281,467	11,049,238
Development services	5,218,453	4,967,335	3,174,496	5,447,239	5,214,410
Community services	4,584,937	6,100,981	4,057,338	5,073,673	4,308,397
Interest expense	1,326,383	310,478	286,492	284,269	281,359
Total governmental activities expenses	59,052,181	52,370,261	46,156,242	50,605,012	53,658,982
Business-type activities:					
Water utility	17,893,977	17,019,949	19,565,979	20,124,035	16,121,912
Solid waste utility	9,360,397	9,246,343	9,322,648	9,872,451	9,602,172
Sewer utility	5,882,096	5,813,597	6,278,008	7,457,367	7,063,779
Animal services	1,163,149	1,082,162	1,020,821	-	-
Total business-type activities expenses	34,299,619	33,162,051	36,187,456	37,453,853	32,787,863
Total primary government expenses	\$ 93,351,800	\$ 85,532,312	\$ 82,343,698	\$ 88,058,865	\$ 86,446,845
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,428,531	\$ 1,416,615	\$ 1,508,984	\$ 1,658,124	\$ 1,124,713
Public safety	2,509,528	2,526,925	2,930,767	3,593,175	3,789,627
Engineering and public works	271,742	411,595	579,582	660,583	246,341
Development services	2,094,944	3,881,798	4,541,765	4,612,643	4,933,961
Community services	624,243	611,995	1,058,570	1,097,518	1,072,754
Operating grants and contributions	6,515,231	6,554,132	6,234,320	7,014,790	5,120,131
Capital grants and contributions	1,827,726	2,614,837	1,636,573	2,712,801	3,926,465
Total governmental activities program revenues	15,271,945	18,017,897	18,490,561	21,349,634	20,213,992
Business-type activities:					
Charges for services:					
Water utility	17,769,773	17,324,491	18,184,343	22,713,562	18,601,289
Solid waste utility	9,421,363	9,535,127	9,592,364	10,355,699	10,544,776
Sewer utility	6,193,947	6,294,532	6,432,824	7,233,341	8,068,428
Animal services	438,750	567,329	384,674	-	-
Operating grants and contributions	-	-	23,220	21,672	15,519
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	33,823,833	33,721,479	34,617,425	40,324,274	37,230,012
Total primary government program revenues	\$ 49,095,778	\$ 51,739,376	\$ 53,107,986	\$ 61,673,908	\$ 57,444,004
Net (expenses)/revenue					
Governmental activities	\$ (43,780,236)	\$ (34,352,364)	\$ (27,665,681)	\$ (29,255,378)	\$ (33,444,990)
Business-type activities	(475,786)	559,428	(1,570,031)	2,870,421	4,442,149
Total net revenues (expense)	\$ (44,256,022)	\$ (33,792,936)	\$ (29,235,712)	\$ (26,384,957)	\$ (29,002,841)

Fiscal Year Ended June 30,				
2017	2018	2019	2020	2021
\$ 3,080,619	\$ 4,539,492	\$ 4,033,829	\$ 3,740,648	\$ 2,148,712
32,174,086	27,927,892	27,265,506	23,786,129	31,674,977
9,819,952	11,468,377	12,092,590	3,524,461	14,653,574
5,407,099	6,624,913	6,059,857	5,931,597	5,682,894
3,691,035	3,370,656	4,255,538	3,910,878	3,642,911
358,679	715,062	840,116	817,235	783,846
54,531,470	54,646,392	54,547,436	41,710,948	58,586,914
18,483,205	19,989,900	21,525,637	20,513,809	22,480,852
10,051,229	11,042,468	12,316,577	13,787,098	14,487,585
7,818,112	9,285,699	9,387,370	9,946,531	10,663,464
-	-	-	-	-
36,352,546	40,318,067	43,229,584	44,247,438	47,631,901
\$ 90,884,016	\$ 94,964,459	\$ 97,777,020	\$ 85,958,386	\$ 106,218,815
\$ 305,373	\$ 382,010	\$ 1,187,018	\$ 583,514	\$ 795,356
3,541,745	1,827,271	1,866,761	1,644,528	1,223,941
776,173	4,207,550	2,991,516	5,038,970	4,002,120
5,461,323	5,245,335	5,876,464	6,038,238	6,066,211
495,702	546,702	581,989	395,733	934,551
5,933,967	2,066,407	2,340,876	2,518,963	4,433,802
4,337,377	6,604,091	7,305,417	8,229,671	7,219,514
20,851,660	20,879,366	22,150,041	24,449,617	24,675,495
21,299,753	28,076,336	26,203,575	27,703,940	29,333,341
11,103,446	11,687,415	12,677,799	13,772,383	14,643,704
9,705,668	10,144,832	10,573,571	10,606,800	10,818,913
-	-	-	-	-
63,207	70,598	57,708	-	23,630
-	-	1,544,529	9,882,981	2,903,615
42,172,074	49,979,181	51,057,182	61,966,104	57,723,203
\$ 63,023,734	\$ 70,858,547	\$ 73,207,223	\$ 86,415,721	\$ 82,398,698
\$ (33,679,810)	\$ (33,767,026)	\$ (32,397,395)	\$ (17,261,331)	\$ (33,911,419)
5,819,528	9,661,114	7,827,598	17,718,666	10,091,302
\$ (27,860,282)	\$ (24,105,912)	\$ (24,569,797)	\$ 457,335	\$ (23,820,117)

CITY OF UPLAND

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 16,279,713	\$ 17,207,416	\$ 17,656,767	\$ 18,376,071	\$ 19,309,037
Tax increment	4,813,601	-	-	-	-
Sales taxes	9,992,768	10,167,479	11,282,830	12,477,307	13,909,909
Other taxes	1,676,719	1,603,147	1,744,459	1,890,562	1,778,356
Investment income	100,072	26,819	61,284	93,147	216,843
Motor vehicle in lieu	179,479	190,258	217,444	852,384	429,308
Gain on sale of assets	9,682	-	51,530	14,151	32,589
Miscellaneous revenue	908,588	583,147	3,494,568	4,238,903	394,567
Extraordinary gain (note 21)	23,491,941	-	-	-	-
Special Item (note 16)	-	-	-	-	-
Transfers	1,195,158	5,922,919	(69,537)	122,245	(3,000)
Total governmental activities	<u>58,647,721</u>	<u>35,701,185</u>	<u>34,439,345</u>	<u>38,064,770</u>	<u>36,067,609</u>
Business-type activities:					
Investment income	186,316	53,563	28,549	99,832	148,205
Share of joint venture net income	-	-	-	-	-
Gain on sale of assets	20,350	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Transfers	(1,195,158)	(1,058,593)	69,537	(122,245)	3,000
Total business-type activities	<u>(988,492)</u>	<u>(1,005,030)</u>	<u>98,086</u>	<u>(22,413)</u>	<u>151,205</u>
Total primary government	<u>\$ 57,659,229</u>	<u>\$ 34,696,155</u>	<u>\$ 34,537,431</u>	<u>\$ 38,042,357</u>	<u>\$ 36,218,814</u>
Changes in Net Position					
Governmental activities	\$ 14,867,485	\$ 1,348,821	\$ 6,773,664	\$ 8,809,392	\$ 2,622,619
Business-type activities	(1,464,278)	(445,602)	(1,471,945)	2,848,008	4,593,354
Total primary government	<u>\$ 13,403,207</u>	<u>\$ 903,219</u>	<u>\$ 5,301,719</u>	<u>\$ 11,657,400</u>	<u>\$ 7,215,973</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,				
2017	2018	2019	2020	2021
\$ 20,482,854	\$ 16,343,119	\$ 16,831,839	\$ 18,055,721	\$ 18,818,701
-	-	-	-	-
13,293,304	13,673,539	14,507,927	13,579,780	16,876,712
2,740,447	2,696,807	2,692,051	2,819,493	2,895,754
326,531	(90,335)	1,012,981	1,232,765	927,392
223,315	40,421	36,969	62,114	57,805
4,180	-	132,623	-	-
355,677	321,564	271,298	180,584	30,374
-	-	-	-	-
-	(5,562,967)	-	-	-
67,000	-	814,669	-	-
<u>37,493,308</u>	<u>27,422,148</u>	<u>36,300,357</u>	<u>35,930,457</u>	<u>39,606,738</u>
189,704	415,529	761,947	1,187,036	51,079
-	-	-	-	-
-	-	(12,879)	-	-
-	-	-	-	-
(67,000)	-	(814,669)	-	-
<u>122,704</u>	<u>415,529</u>	<u>(65,601)</u>	<u>1,187,036</u>	<u>51,079</u>
<u>\$ 37,616,012</u>	<u>\$ 27,837,677</u>	<u>\$ 36,234,756</u>	<u>\$ 37,117,493</u>	<u>\$ 39,657,817</u>
\$ 3,813,498	\$ (6,344,878)	\$ 3,902,962	\$ 18,669,126	\$ 5,695,319
5,942,232	10,076,643	7,761,997	18,905,702	10,142,381
<u>\$ 9,755,730</u>	<u>\$ 3,731,765</u>	<u>\$ 11,664,959</u>	<u>\$ 37,574,828</u>	<u>\$ 15,837,700</u>

CITY OF UPLAND

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	\$ 125,762	\$ 139,164	\$ 158,323	\$ 110,709	\$ 63,831
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	805,739	721,275	3,841,677	10,284,958	14,478,664
Total General Fund	<u>\$ 931,501</u>	<u>\$ 860,439</u>	<u>\$ 4,000,000</u>	<u>\$ 10,395,667</u>	<u>\$ 14,542,495</u>
Other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	10,208,668	15,078,398	18,683,199	34,769,384	38,524,248
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(83,676)	(1,525,535)	(112,511)	(20,372)	(254,428)
Total Other Governmental Funds	<u>\$ 10,124,992</u>	<u>\$ 13,552,863</u>	<u>\$ 18,570,688</u>	<u>\$ 34,749,012</u>	<u>\$ 38,269,820</u>

Source: Finance Division, City of Upland

Fiscal Year Ended June 30,				
2017	2018	2019	2020	2021
\$ 75,325	\$ 64,869	\$ 73,803	\$ 68,061	\$ 178,650
-	18,473	18,473	53,073	10,733,983
-	4,670,418	4,670,418	7,750,840	15,137,875
-	-	-	-	4,491,000
15,254,150	9,479,082	18,538,881	16,404,123	249,245
<u>\$ 15,329,475</u>	<u>\$ 14,232,842</u>	<u>\$ 23,301,575</u>	<u>\$ 24,276,097</u>	<u>\$ 30,790,753</u>
\$ -	\$ -	\$ -	\$ -	\$ -
39,563,384	42,616,153	44,979,990	53,645,011	55,210,075
-	-	-	-	-
-	7,531	-	-	-
(4,088)	(296)	-	(246,676)	(684,266)
<u>\$ 39,559,296</u>	<u>\$ 42,623,388</u>	<u>\$ 44,979,990</u>	<u>\$ 53,398,335</u>	<u>\$ 54,525,809</u>

CITY OF UPLAND

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Revenues					
Taxes	\$ 35,295,459	\$ 30,756,478	\$ 32,593,211	\$ 35,655,141	\$ 37,799,228
Licenses and permits	1,070,611	987,862	1,041,388	1,794,686	1,875,032
Charges for services	4,203,719	4,362,451	5,230,294	5,606,821	5,392,160
Fines and penalties	517,741	500,389	533,282	604,509	594,417
Investment income	100,072	27,704	57,147	92,100	187,819
Rental income	1,727,205	3,318,077	3,787,894	3,860,094	4,013,904
Intergovernmental	7,268,610	7,221,745	6,806,235	7,655,572	5,435,521
Other	1,182,183	1,254,136	4,659,040	5,317,007	1,273,394
Total revenues	<u>51,365,600</u>	<u>48,428,842</u>	<u>54,708,491</u>	<u>60,585,930</u>	<u>56,571,475</u>
Expenditures					
General government	5,991,749	4,805,137	5,138,890	3,420,069	3,658,673
Public safety	27,603,446	26,530,316	25,998,626	26,462,312	28,178,150
Engineering and public works	7,940,843	10,362,812	4,870,786	5,698,034	7,874,070
Development services	4,959,672	4,857,256	4,612,547	5,274,072	5,262,923
Community services	3,894,008	4,145,232	3,908,447	4,506,490	4,216,350
Debt service:					
Principal	1,925,000	210,000	220,000	235,000	258,368
Interest	1,242,428	317,068	293,657	282,901	296,236
Pass-through payments	801,386	-	-	-	-
Fiscal charges	3,319	3,300	3,300	6,659	2,258
Total expenditures	<u>54,361,851</u>	<u>51,231,121</u>	<u>45,046,253</u>	<u>45,885,537</u>	<u>49,747,028</u>
Excess (deficiency) of revenues over (under) expenditures	(2,996,251)	(2,802,279)	9,662,238	14,700,393	6,824,447
Other financing sources (uses)					
Transfers in	2,073,948	6,808,907	2,761,375	273,409	1,208,553
Transfers out	(1,129,300)	(870,049)	(3,919,838)	(2,478,470)	(1,525,154)
Extraordinary gain (loss) (note 21)	(14,129,606)	-	-	-	-
Proceeds from sale of capital assets	9,682	-	-	-	1,600
Issuance of capital leases	-	-	-	-	200,524
Payments to bond escrow	-	-	-	-	-
Issuance of bonds/debt	-	-	-	-	-
Total other financing sources(uses)	<u>(13,175,276)</u>	<u>5,938,858</u>	<u>(1,158,463)</u>	<u>(2,205,061)</u>	<u>(114,477)</u>
Net change in fund balances	<u>\$ (16,171,527)</u>	<u>\$ 3,136,579</u>	<u>\$ 8,503,775</u>	<u>\$ 12,495,332</u>	<u>\$ 6,709,970</u>
Debt service as a percentage of noncapital expenditures*	7.5%	6.0%	1.2%	1.2%	1.1%

* This percentage is computed as: Debt Service divided by Non-Capital Expenditures

Fiscal Year Ended June 30,				
2017	2018	2019	2020	2021
\$ 38,830,352	\$ 32,719,390	\$ 36,119,214	\$ 35,505,234	\$ 39,675,488
3,009,862	5,164,222	4,354,120	6,164,957	5,955,190
5,857,984	2,785,383	3,055,102	2,843,447	2,384,400
619,646	646,874	989,437	893,964	542,604
86,173	38,881	1,813,945	1,679,486	829,306
4,191,730	4,738,192	5,003,949	5,156,573	5,259,555
5,798,858	5,579,860	5,518,173	6,812,160	8,241,316
1,742,663	934,735	1,727,759	550,605	627,760
60,137,268	52,607,537	58,581,699	59,606,426	63,515,619
4,950,630	2,154,855	1,918,770	1,956,329	2,255,746
31,733,042	23,950,547	23,653,097	25,977,681	27,381,746
9,380,001	15,361,147	12,907,584	9,842,367	14,744,656
5,446,549	6,366,818	5,343,038	5,735,938	5,683,606
3,518,510	3,170,399	3,279,498	3,240,983	3,193,155
288,319	18,677,299	674,583	695,406	739,578
360,854	715,062	840,116	817,235	783,846
-	-	-	-	-
3,575	-	-	-	-
55,681,480	70,396,127	48,616,686	48,265,939	54,782,333
4,455,788	(17,788,590)	9,965,013	11,340,487	8,733,286
517,960	224,081	1,035,556	1,725,996	593,000
(2,164,720)	(3,693,295)	(518,892)	(3,673,616)	(1,715,374)
-	-	-	-	-
-	-	132,623	-	31,218
-	-	-	-	-
-	-	-	-	-
-	22,210,487	-	-	-
(1,646,760)	18,741,273	649,287	(1,947,620)	(1,091,156)
\$ 2,809,028	\$ 952,683	\$ 10,614,300	\$ 9,392,867	\$ 7,642,130
1.1%	1.3%	3.9%	3.6%	4.1%

CITY OF UPLAND

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
(IN THOUSANDS OF DOLLARS)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2011/12	2012/13	2013/14	2014/15	2015/16
Residential	5,382,875	5,498,151	5,680,385	6,068,414	6,401,935
Commercial	820,057	823,190	849,188	873,943	875,269
Industrial	309,414	306,113	314,762	318,293	342,277
Dry Farm	4,021	4,029	4,184	4,186	470
Govt. Owned	941	960	979	983	1,003
Institutional	12,430	12,982	14,288	10,334	9,826
Irrigated	1,890	1,928	1,967	1,976	2,015
Miscellaneous	74,576	76,292	78,275	78,792	80,400
Recreational	17,828	18,041	14,322	14,353	14,804
Vacant	71,460	68,364	74,268	65,657	84,782
SBE Nonunitary	69	69	69	70	70
Unsecured	262,654	265,091	262,039	259,893	268,858
TOTALS	6,958,214	7,075,211	7,294,725	7,696,894	8,081,709
Total Direct Rate	<u>0.29248%</u>	<u>0.29337%</u>	<u>0.17491%</u>	<u>0.17491%</u>	<u>0.17492%</u>

Note: The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local overrides. These values are considered to be full market values.

Source: San Bernardino County Assessor 2011/12 - 2020/21 Combined Tax Rolls; HdL Coren & Cone

Fiscal Year				
2016/17	2017/18	2018/19	2019/20	2020/21
6,697,951	7,059,507	7,440,680	7,822,956	8,303,185
908,646	991,548	1,059,249	1,092,437	1,146,927
350,443	377,242	401,508	405,874	436,283
477	487	497	507	621
1,018	1,039	1,060	1,554	1,585
13,908	11,982	12,730	8,269	8,177
1,640	1,673	1,707	1,741	1,775
103,978	76,233	78,464	84,498	95,151
14,162	13,758	13,812	14,875	14,940
91,043	132,223	127,536	150,349	132,343
70	70	69	180	180
249,241	230,214	246,034	251,133	239,443
8,432,577	8,895,976	9,383,346	9,834,373	10,380,611
0.17492%	0.17492%	0.08257%	0.09330%	0.09079%

CITY OF UPLAND

**WATER SALES BY USER TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Residential		Commercial		Public Agency		Irrigation	
	Gallons Consumed	% of Total	Gallons Consumed	% of Total	Gallons Consumed	% of Total	Gallons Consumed	% of Total
2012	4,648,953,144	74.3%	694,179,156	11.1%	238,037,536	3.8%	677,373,092	10.8%
2013	4,825,517,048	73.7%	733,835,124	11.2%	241,184,372	3.7%	750,007,632	11.4%
2014	4,930,872,848	72.8%	729,473,536	10.8%	218,617,212	3.2%	895,623,036	13.2%
2015	4,456,746,316	71.4%	718,672,416	11.5%	210,080,288	3.4%	860,493,216	13.8%
2016	3,566,689,896	70.7%	650,598,432	12.9%	176,596,816	3.5%	649,350,020	12.9%
2017	3,848,856,440	71.0%	680,205,768	12.5%	177,463,748	3.3%	717,650,648	13.2%
2018	4,243,225,976	70.1%	717,147,992	11.8%	186,568,404	3.1%	909,118,452	15.0%
2019	3,804,467,128	69.4%	659,586,400	12.0%	165,040,216	3.0%	852,306,356	15.5%
2020	3,940,665,212	71.5%	592,244,708	10.7%	167,931,236	3.0%	813,682,628	14.8%
2021	4,359,818,232	71.5%	593,676,380	9.7%	212,988,512	3.5%	934,994,764	15.3%

Source: Finance Division, City of Upland

CITY OF UPLAND

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$100 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS**

<u>Agency</u>	<u>Fiscal Year</u>				
	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000
Alta Loma Elementary Bond	0.04530	0.04580	0.04500	0.04370	0.04170
Central Elementary Bond	0.06880	0.07270	0.07110	0.06600	0.06500
Chaffey Community College Bond	0.01530	0.01110	0.01570	0.01090	0.01130
Chaffey High School Bond	0.01940	0.01010	0.03710	0.02940	0.04090
Metropolitan Water Agency	0.00370	0.00350	0.00350	0.00350	0.00350
Ontario-Montclair Elementary Bond	0.02890	0.02740	0.02940	0.02600	0.02680
Upland Unified School Bond	0.04740	0.05240	0.04840	0.04620	0.05250
Total Direct & Overlapping² Tax Rates	<u>1.22880</u>	<u>1.22300</u>	<u>1.25020</u>	<u>1.22570</u>	<u>1.24170</u>
City Share of 1% levy per Prop 13³	0.17482	0.17482	0.17482	0.17482	0.17482
Redevelopment Rate⁴	1.00370	n/a	n/a	n/a	n/a
Total Direct Rate⁵	<u>0.29248</u>	<u>0.29337</u>	<u>0.17491</u>	<u>0.17491</u>	<u>0.17492</u>

Notes:

¹ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

² Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³ City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.

⁴ Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

⁵ Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Source: San Bernardino County Assessor 2011/12 - 2020/21 Tax Rate Table; HdL Coren & Cone

Fiscal Year				
2016/17	2017/18	2018/19	2019/20	2020/21
1.00000	1.00000	1.00000	1.00000	1.00000
0.04080	0.05640	0.06800	0.06530	0.04570
0.06880	0.06700	0.04650	0.05020	0.04890
0.01160	0.00880	0.01530	0.02410	0.01110
0.03190	0.02790	0.04020	0.03750	0.03520
0.00350	0.00350	0.00350	0.00350	0.00350
0.02640	0.05570	0.05550	0.04280	0.04580
0.06070	0.05510	0.05870	0.05600	0.05150
1.24370	1.27440	1.28770	1.27940	1.24170
0.17482	0.17482	0.08042	0.09353	0.09353
n/a	n/a	n/a	n/a	n/a
0.17492	0.17492	0.08257	0.09330	0.09079

CITY OF UPLAND

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Colonies-Pacific LLC	\$ 165,016,627	1	1.59%	\$ 39,994,984	3	0.57%
College Park Apartment Homes LP	53,908,710	2	0.52%	46,784,287	1	0.67%
AMFP IV Alvista LLC	49,878,000	3	0.48%			
Foothill Evergreen SPE LLC	49,215,000	4	0.47%			
MG Stoneridge Village Grove LLC	47,077,637	5	0.45%			
Rancho Monte Vista Apartment Homes	45,598,985	6	0.44%	39,274,544	4	0.56%
CT Retail Properties Finance II LLC	43,884,445	7	0.42%	37,460,857	6	0.54%
WNG Mountain Springs GP	40,146,767	8	0.39%	34,270,284	7	0.49%
Dee Matreyek-Kurth Non Exempt Trust	37,152,576	9	0.36%			
NU-168 Apartments LLC	35,838,074	10	0.35%	30,592,271	9	0.44%
Granite Sr Woodlane LLC				42,956,901	2	0.62%
Koll Per College Business Park, LLC				38,782,851	5	0.56%
Bill and Mary Matreyek Trust				30,938,763	8	0.44%
GE 2005-C4 Mountain Grv OP Reo				26,330,623	10	0.38%
Totals	<u>\$ 567,716,821</u>		<u>5.47%</u>	<u>\$ 367,386,365</u>		<u>5.28%</u>

Source: San Bernardino County Assessor 2020/21 Combined Tax Roll and the SBE Non Unitary Tax Roll

CITY OF UPLAND

**PRINCIPAL WATER PURCHASERS
CURRENT YEAR AND TEN YEARS AGO**

Water Purchaser	2021			2012		
	Gallons Consumed	Rank	Percentage of Total Gallons Consumed	Gallons Consumed	Rank	Percentage of Total Gallons Consumed
City of Upland	294,854,120	1	4.8%	215,697,020	1	3.4%
Upland Development LLC	146,222,032	2	2.4%			
Upland Unified School District	126,229,488	3	2.1%	108,175,012	2	1.2%
Mountain View Land Co	79,652,276	4	1.3%	71,132,556	4	1.1%
San Antonio Community Hospital	50,209,500	5	0.8%	55,812,768	5	0.9%
Upland Hills Estates HOA	46,764,960	6	0.8%	47,444,144	6	0.8%
Upland Hills CC COA	39,942,452	7	0.7%	36,770,184	7	0.6%
ST of California Dept of Trans	31,903,696	8	0.5%			
Upland Meadows Management Co LP	27,607,184	9	0.5%	33,202,224	9	0.5%
College Park Apartment Homes	26,215,156	10	0.4%			
State of California				76,279,544	3	1.7%
Orchard Lane Condos				36,681,920	8	0.6%
County of San Bernardino				28,728,436	10	0.5%
Totals	869,600,864		14.3%	709,923,808		11.3%

Source: Finance Division, City of Upland

CITY OF UPLAND

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ⁽¹⁾	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2012	9,732,257	9,265,615	95.21%	N/A	9,265,615	95.21%
2013	9,881,310	9,452,806	95.66%	N/A	9,452,806	95.66%
2014	10,195,064	9,902,877	97.13%	N/A	9,902,877	97.13%
2015	10,792,671	10,512,265	97.40%	N/A	10,512,265	97.40%
2016	11,319,306	11,049,460	97.62%	N/A	11,049,460	97.62%
2017	11,883,283	11,615,501	97.75%	N/A	11,615,501	97.75%
2018	12,310,682	12,120,710	98.46%	N/A	12,120,710	98.46%
2019 ¹	6,032,861	5,900,839	97.81%	N/A	5,900,839	97.81%
2020	7,326,803	7,162,370	97.76%	N/A	7,162,370	97.76%
2021	7,730,056	7,623,675	98.62%	N/A	7,623,675	98.62%

Notes:

Source: Data provided by the San Bernardino County Assessor's Office for collection of prior years taxes does not segregate the information by fiscal year. Therefore, the City is not able to provide this information in the above schedule.

¹ Change from prior years due to City's Annexation with San Bernadino County for Fire Services.

CITY OF UPLAND

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Governmental Activities					Total Governmental Activities
	Lease Revenue Bonds	Tax Allocation Notes ^(b)	Housing Bonds	Capital Leases	Clean Renewable Energy Bonds	
2012	1,160,000	-	18,000,000	-	-	19,160,000
2013	950,000	-	18,000,000	-	-	18,950,000
2014	730,000	-	18,000,000	-	-	18,730,000
2015	495,000	-	18,000,000	-	-	18,495,000
2016	250,000	-	18,000,000	187,156	-	18,437,156
2017	-	-	18,000,000	148,837	-	18,148,837
2018	-	-	14,420,150	2,736,044	4,525,832	21,682,026
2019	-	-	13,905,615	2,607,411	4,494,189	21,007,215
2020	-	-	13,372,270	2,467,202	4,472,265	20,311,737
2021	-	-	12,815,345	2,315,651	4,441,631	19,572,628

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(a) This ratio is calculated using personal income and population for the prior calendar year.

(b) As a result of the dissolution of the Redevelopment Agency on January 31, 2012 indebtedness was transferred to the Successor Agency.

Source: Notes to the Financial Statements, Long Term Debt Section

<u>Business-type Activities</u>				
<u>Water Lease Revenue Bonds</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (a)</u>	<u>Debt Per Capita (a)</u>	<u>Fiscal Year Ended June 30,</u>
12,746,534	31,906,534	1.45%	427.89	2012
11,958,964	30,908,964	1.41%	412.63	2013
11,282,566	30,012,566	1.38%	399.38	2014
10,483,221	28,978,221	1.36%	386.00	2015
9,658,875	28,096,031	1.29%	370.79	2016
8,809,529	26,958,366	1.21%	351.07	2017
8,435,184	30,117,210	1.32%	391.05	2018
8,045,838	29,053,053	1.20%	370.19	2019
7,646,493	27,958,230	1.12%	354.74	2020
7,232,147	26,804,775	0.99%	341.41	2021

CITY OF UPLAND

DIRECT AND OVERLAPPING BOND DEBT
JUNE 30, 2021

<u>2020-21 Assessed Valuation:</u>			\$10,368,713,237
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2020	% Applicable (1)	City's Share of Debt 6/30/20
Metropolitan Water District	\$26,830,000	31.80%	\$85,319
Chaffey Community College District	315,490,000	8.135	25,665,112
Upland Unified School District	90,918,463	92.714	84,294,144
Chaffey Union High School District	530,528,431	0.798	4,233,617
Alta Loma School District	54,982,209	0.529	290,856
Central School District	71,496,410	1.958	1,399,900
Ontario-Montclair School District	109,165,015	2.693	2,939,814
Upland Unified School District Community Facilities District No. 99-1	1,168,000	100	1,168,000
Upland Unified School District Community Facilities District No. 01-1	1,585,000	100	1,585,000
City of Upland Community Facilities District No. 2003-1	1,185,000	100	1,185,000
City of Upland Community Facilities District No. 2003-2, I.A. Nos. 1 & 2	32,030,000	100	32,030,000
City of Upland Community Facilities District No. 2015-1, I.A. No. 1	9,160,000	100	9,160,000
City of Upland Community Facilities District No. 2016-1, I.A. No. 1	8,185,000	100	8,185,000
City of Upland Community Facilities District No. 2016-1, I.A. No. 2	8,495,000	100	8,495,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$180,716,762
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
San Bernardino County General Fund Obligations	\$214,095,000	4.14%	\$8,867,815
San Bernardino County Pension Obligation Bonds	180,825,585	4.143	7,489,796
San Bernardino County Flood Control District General Fund Obligations	51,360,000	4.143	2,127,331
Chaffey Community College District General Fund Obligations	28,935,000	8.144	2,353,862
City of Upland Equipment Lease Obligations	6,757,282	100	6,757,282
City of Upland Housing Revenue Bonds	12,815,172	100	12,815,172
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$40,411,258
Less: City of Upland Housing Revenue Bonds (100% supported from housing related revenues)	12,815,172		
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$27,596,086
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$18,475,000	100.00%	\$18,475,000
TOTAL GROSS DIRECT DEBT			\$19,572,454
TOTAL NET DIRECT DEBT			\$6,757,282
TOTAL OVERLAPPING DEBT			\$213,273,284
GROSS COMBINED TOTAL DEBT			\$239,603,020 (2)
NET COMBINED TOTAL DEBT			\$226,787,848
<u>Ratios to 2020-21 Assessed Valuation:</u>			
Total Overlapping Tax and Assessment Debt	1.74%		
Total Gross Direct Debt (\$20,311,914)	0.19%		
Total Net Direct Debt (\$6,939,762)	0.07%		
Gross Combined Total Debt	2.31%		
Net Combined Total Debt	2.19%		
<u>Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,855,756,042):</u>			
Total Overlapping Tax Increment Debt	1.00%		

Source: California Municipal Statistics, Inc., Avenu Insights & Analytics

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise

CITY OF UPLAND

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
Debt Limit	\$ 895,958,208	\$ 1,058,579,687	\$ 1,091,662,967	\$ 1,152,315,001	\$ 1,210,072,895
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal Debt Margin	\$ 895,958,208	\$ 1,058,579,687	\$ 1,091,662,967	\$ 1,152,315,001	\$ 1,210,072,895
Total Net Debt Applicable to The Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2019:

Assessed Valuation

Debt Limit (15% of Assessed Value)

Debt Applicable to Limit:

General Obligation Bonds

Legal Debt Margin

Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation.

¹ As a result of the dissolution of the Redevelopment Agency on January 31, 2012, total assessed value for the City is no longer reduced by the incremental value of the redevelopment project areas.

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2021
\$ 1,263,218,981	\$ 1,332,692,325	\$ 1,405,592,832	\$ 1,473,057,903	\$ 1,555,306,986 ¹
-	-	-	-	-
\$ 1,263,218,981	\$ 1,332,692,325	\$ 1,405,592,832	\$ 1,473,057,903	\$ 1,555,306,986
0.00%	0.00%	0.00%	0.00%	0.00%

\$ 10,368,713,237
 1,555,306,986
 -
\$ 1,555,306,986

CITY OF UPLAND

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Water Bonds					
	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	16,873,954	17,468,067	(594,112)	655,000	1,023,096	(0.35)
2013	17,122,606	15,146,422	1,976,184	760,000	407,969	1.69
2014	18,184,342	16,532,719	1,651,623	750,000	463,325	1.36
2015	22,713,561	17,673,638	5,039,923	765,000	442,475	4.17
2016	18,601,416	13,367,187	5,234,229	760,000	419,150	4.44
2017	21,436,735	17,418,778	4,017,957	815,000	361,406	3.42
2018	28,076,336	18,979,818	9,096,518	340,000	340,868	13.36
2019	26,203,575	19,636,043	6,567,532	355,000	327,673	9.62
2020	35,276,713	19,764,310	15,512,403	365,000	313,174	22.87
2021	31,669,481	22,037,035	9,632,446	380,000	336,250	13.45

Note: Water Charges and Other includes total revenues (including investment earnings).
Operating Expenses are exclusive of depreciation.

Source: Finance Division, City of Upland

Special Assessment Bonds

Special Assessment Collections	Debt Service		Coverage
	Principal	Interest	
3,358,321	440,000	2,525,223	1.13
3,022,803	520,000	2,356,637	1.05
2,935,287	700,000	2,107,620	1.05
2,973,637	820,000	2,080,248	1.03
2,731,961	1,305,000	1,441,090	0.99
2,863,814	1,160,000	1,635,846	1.02
2,822,587	1,250,000	1,598,954	0.99
3,384,728	1,330,000	1,666,350	1.13
3,946,683	1,631,434	1,996,055	1.09
4,093,614	1,640,000	2,200,853	1.07

CITY OF UPLAND

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2011	74,568	\$ 2,193,940	\$ 29,422	11,927	9.1%
2012	74,907	\$ 2,192,004	\$ 29,263	11,908	6.5%
2013	75,147	\$ 2,182,720	\$ 29,046	11,665	5.6%
2014	75,074	\$ 2,130,600	\$ 28,380	11,380	5.9%
2015	75,774	\$ 2,182,404	\$ 28,801	11,138	4.8%
2016	76,790	\$ 2,226,460	\$ 28,994	11,028	4.2%
2017	77,017	\$ 2,274,591	\$ 29,533	10,913	2.5%
2018	78,481	\$ 2,417,412	\$ 30,802	10,702	3.3%
2019	78,814	\$ 2,503,598	\$ 31,765	10,580	3.1%
2020	78,513	\$ 2,702,987	\$ 34,427	10,228	8.7%

Sources: HdL, Coren & Cone and the California Department of Education

CITY OF UPLAND

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	2021			2012 *		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
San Antonio Regional Hospital	2,178	1	5.8%	2,001	1	7.9%
Upland Unified School District	1,037	2	2.8%	1,435	2	5.7%
Home Depot	350	3	0.9%	351	6	1.4%
WalMart	315	4	0.8%	400	5	1.6%
Lewis Group	313	5	0.8%	300	9	1.2%
Upland Rehabilitation & Care Center	291	6	0.8%			
Target	265	7	0.7%	250	10	1.0%
City of Upland	258	8	0.7%			
Holliday Rock Co. Inc	250	9	0.7%	325	8	1.3%
VCI Construction	227	10	0.6%			
Kohl's Department Store				501	3	2.0%
Insurance Agency Network				500	4	2.0%
Universal Services of America				335	7	1.3%
Totals	5,484		14.6%	6,398		25.2%

*Source: Upland Chamber of Commerce, Finance Division & Development Services

CITY OF UPLAND

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	75.00	75.50	78.25	78.00	64.00	58.00	58.00	57.00	67.00	68.00
Public safety										
Police										
Officers	76.00	70.00	70.00	70.00	74.00	75.00	75.00	75.00	75.00	75.00
Civilians	28.00	22.50	22.50	22.50	26.00	30.00	31.00	37.00	30.00	31.00
Fire										
Firefighters and officers	41.00	41.00	40.00	40.00	40.00	40.00	-	-	-	- ¹
Civilians	9.00	9.00	9.00	9.00	9.00	9.00	-	-	-	- ¹
Highways and streets										
Engineering	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Operations	23.00	23.00	23.00	22.00	23.50	23.50	23.50	23.50	23.50	24.50
Recreation	7.50	7.50	7.50	7.50	6.00	6.00	5.00	5.00	5.00	5.00
Water	22.00	24.00	24.00	24.00	24.00	24.00	24.00	27.00	31.00	31.00
Solid Waste Utility	-	-	-	-	-	-	-	-	1.00	1.00
Environmental Quality	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total	289.50	279.50	281.25	280.00	273.50	272.50	223.50	231.50	238.50	242.50

Source: Finance Division, City of Upland

¹ Decrease due to annexation of the Fire Department to San Bernardino County as of July 22, 2017.

CITY OF UPLAND

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Fire					
Stations	5	5	5	5	5
Police					
Patrol Units	23	23	23	22	22
Motorcycles	6	5	4	5	5
Library					
Facilities	1	1	1	1	1
Recreation					
Buildings	3	4	4	4	4
Parks	13	13	13	13	13
Soccer fields (lighted)	6	6	6	6	6
Baseball fields (lighted)	8	8	8	8	8
Softball fields (lighted)	3	3	3	3	3
Public Works					
Miles of City Streets	208.90	208.90	208.90	208.90	209.20
Miles of State Highways	6.70	6.70	6.70	6.70	6.70
Miles of City Alleys	37.50	37.50	37.50	37.50	37.50
Water					
Miles of Water Mains	240.26	240.26	240.26	240.88	243.70
Sewer					
Miles of Sewer Lines	228.00	228.00	228.00	228.00	228.00

Source: Various Departments, City of Upland

¹ Decrease due to annexation of the Fire Department to San Bernardino County as of July 22, 2017.

² Amount differs from prior year due to a typo (224.08 vs 224.008).

Fiscal Year Ended June 30,				
2017	2018	2019	2020	2021
5	1	1	1	1 ¹
22	24	24	25	24
4	4	5	4	4
1	1	1	1	1
4	4	4	4	4
13	13	13	13	13
6	6	6	6	6
8	8	8	8	8
3	3	3	3	3
209.25	209.85	² 210.01	210.01	210.01
6.20	6.20	6.20	6.20	6.20
37.50	37.50	37.50	37.50	37.50
255.60	245.71	247.08	247.08	247.09
222.00	222.00	224.01	224.06	224.06

CITY OF UPLAND

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
General government					
Building permits issued	1,042	1,120	1,408	2,007	1,176
Police					
Physical arrests	3,809	3,104	4,272	3,532	3,013
Traffic collisions	666	634	667	690	814
Fire					
Emergency responses	7,300	7,865	9,482	8,855	9,607
Public Works					
Miles of street sweeping	14,172	14,484	14,484	13,009	14,600
Potholes repaired	918	831	910	2,400	318
Number of trees pruned	9,235	5,405	5,671	5,015	2,378
Parks and recreation					
Community center admissions	8,454	9,093	9,406	9,450	8,868
Library					
Volumes in collection	159,746	157,769	117,295	113,146	111,548
Current Periodical & Serial Subscriptions	81	73	340	83	97
Audio-visual items	8,454	7,464	5,911	5,947	5,695
Water					
New meter installations	292	550	1,056	981	894
Average daily consumption (thousands of gallons)	21,838	21,087	20,690	17,848	14,209
Number of linear feet of new water pipelines	17,240	3,859	-	1,531	3,668
Refuse collection					
Refuse collected (tons per day)	129	130	144	140	158
Recyclables collected (tons per day)	72	65	72	64	68
Environmental Quality					
Number of sewer inspections conducted	199	207	210	201	208
Number of permitted dischargers/active permits	196	192	194	197	193

Source: Various Departments, City of Upland

¹Last date of service for the City of Upland Fire Department was 07/22/2017.

²We transitioned from physical magazines to electronic due to COVID and will continue to keep our holdings el

³Physical DVDs and audiobooks on CD, does not include downloadable films and audiobooks.

Fiscal Year Ended June 30,				
2017	2018	2019	2020	2021
1,095	2,040	2,327	1,365	3,126
4,377	3,477	3,670	2,198	2,283
867	724	607	535	350
9,647	404	0	0	0
15,000	10,800	11,600	11,000	14,600
720	550	650	700	3,250
2,273	4,288	5,850	5,200	6,280
6,864	6,703	7,208	4,372	541
107,760	82,577	103,466	73,092	116,755
42	466	40	760	7,002
5,154	4,302	2,916	5,340	5,006
1,233	1,500	153	210	158
15,572	17,276	15,650	15,732	16,027
1,627	18,091	6,581	-	78
151	165	158	162	161
65	76	68	77	82
211	148	145	5	173
195	191	193	193	195

electronically and not paper copies